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Twilight crusade of a stubborn Pope



Ian McEwan tells the tale of the century



Christmas in Japan: an ode to joy

FINANCIAL TIMES

WEEKEND DECEMBER 24/DECEMBER 25 1994

Europa's Business Newspaper

Mexico placed on negative credit watch

Mexico was placed on negative credit watch by the international rating agency Standard & Poor's as investors and the government struggled to assess the implications of this week's 29 per cent devaluation of the peso. In Argentina, Mexico's economic convulsions produced an emphatic response. President Carlos Menem announced a policy of "total austerity" and vowed to maintain the dollar-Argentine peso parity. Page 3

Scalfare wins support to avoid early polls: Stalian president Oscar Luigi Scalfaro's plan to avoid early elections in the wake of the resignation of the Berlusconi government was backed by Roberto Maroni, interior minister and head of a large faction within the Northern League, a former coalition partner. Page 24; Fear of failure may reunite the Northern League, Page 2, Standa puts Emomercato hypermarket chain on sale, Page 9

BMF loses reprocessing contract: British Nuclear Fuels lost a substantial German contract for its Thorp reprocessing plant because of pressures from Germany's anti-nuclear lobby. Page 24

BSkyB and Reuters near TV deal: British Sky Broadcasting, the satellite television company, and Reuters, the news and information group, are on the verge of an international television partnership deal. Page 4; Queen's broadcast goes on Internet, Page 5; South African group plans global pay TV network, Page 9

Bosnian Serbs and Mosiems sign truce: Bosnian Serbs and Moslems signed a country-wide interim ceasefire agreement to take effect today. Page 2; Editorial Comment, Page 6

FT-SE 100 Index

Takeover activity drives London market up The driving forces behind the London stock market this week have been the agreed bid for Portals, the security paper manufacturer, from De La Rue, and the Trafalgar House bid for Northern Electric, which

triggered a wave of take-

over speculation throughout the utilities areas. The FT-SE 100 index ended the day 8.3 points off at 3,083.4, its first decline in six trading sessions, but remained 69.8 points, or 2.8 per

cent, higher on the week. Call for probe into Northern Electric's share price, Page 8; Markets, Page 19; London stocks. Page 21; Lex, Page 24 South Korean cabinet reshuffled: South

Korean president Kim Young-sam replaced more

than half his cabinet in a reshuffle intended to revive his faltering administration. US economic growth rate may economy grew strongly last month, but the pace of growth could ease in the new year, figures for

industrial orders and personal spending indicate. israeli soldiers killed: Two Israeli soldiers were killed and seven wounded in clashes with Shia Mos-

lem Hizbollah guerrillas in southern Lebanon. Two Lebanese policemen died when their car was hit during an Israeli bombing raid. Page 3 Life member fined £60,000: The London Metal Exchange fined Sucden (UK), part of the Compagnie Financière Sucres et Denrées group of France, £60,000 (\$94,000) for failing to supply rele-

vant information about its parent when applying to

become one of the exchange's 18 ring-dealing members. Page 4 Maybow hints at cut in RUC: Northern Ireland secretary Sir Patrick Mayhew suggested that the Royal Ulster Constabulary could be cut to a peacetime force of 3,500 officers, little more than a

quarter of its present strength. Page 4 B&B to offer telephone mortgages: Bradford & Bingley Building Society is expected to become the first UK high street lender to provide a telephone mortgage service. It will offer loans at a lower interest rate than those provided through its branch network. Page 24

The Financial Times will not be published on Monday and Tuesday. It will be published again on Wednesday, December 28. We wish all our readers, advertisers and distributors a happy Christmas.

Companies in this Issue

Sperati (CA) a Stagecoach Beverley Stanhope Properties British Land _ Trafalgar House Current Dares Estates Oversees Famingford Acer **Ulingworth Morris** Banco Santander 8 Banesto Jones & Shipmen ⁸ Euromercato London Securities Menvier-Swain 8 Morgan (J.P.) Northern Electric 8 MultiChaice 8 Standa Scantronic

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SFO denies suppressing evidence in Guinness trial

By Our Financial Staff

The Serious Fraud Office yesterday denied that it had deliberately suppressed evidence relevant to the first Guinness trial. Mr George Staple, director of the SFO, which prosecuted the case, said the decision to withhold from the defendants details of share operations similar to those at the heart of the Guinadvice that such details were not

On Thursday, the Home Office ordered the Court of Appeal to review the convictions of the four businessmen prosecuted in the 1990 case: Mr Ernest Saunders, Guinness's former chief executive, Mr Gerald Ronson, the property developer, Mr Jack Lyons, the financier, and Mr Tony Parnes, the former stockbroker. "We are not here to deny peo-

people have a fair trial," Mr Sta-

defendants had not been made aware by the SPO during their trial of a judgment made by a City of London tribunal in 1988 on the legality of a series of share transactions carried out by TWH Management Limited ple's human rights. We are here

TWH had been involved in an operation to support Guinness's share price during the brewing involved in six other share trans-

One of the main reasons for the

Home Office's decision is that the

actions, in which guarantees were given to the purchasers that they would suffer no losses from

The tribunal ruled that "there is no evidence that such transactions were improper". However, the case against the four Guinness defendants was in

in similar operations to support Guinness's share price. spokesman on the City, said the

system of prosecuting and inves-

part based on their involvement

tigating fraud cases needed a complete overhaul. He said the Securities and Investment Board, the City regulator, should be more involved in prosecuting financial crime.

The SFO's future is the subject of a government review by Mr Rex Davie, a former civil servant. Sir Nicholas Lyell, the attorneygeneral, is expected in January to decide whether to end the SFO's independence and put it under the aegis of the Crown Prosecu-

A merchant banker said: This leaves everybody deeply uncertain. On the one hand there is this beating of the drum about regulation and on the other hand any time anything gets into court it gets messed up.

Lord Spens, a defendant acquit ted in a second Guinness trial alleged that "someone quite high up" must have ordered the suppression of information which of the first trial. Mr Staple denied

Russian army split over conflict in Chechnya

By John Lloyd in Mascow

The Russian army's leadership is in turmoil over the bitterly fought campaign in Chechnya, raising the possibility of growing political intervention by senior officers opposed to the use of arms to resolve the conflict. The state Duma (lower house)

voted by 228 to 38 yesterday for an appeal to President Boris Yeltsin to break off military action in favour of peace talks. However, Russian forces continued to pound Grozny, the Chechen capital, with bombs and

under constant air bombardment and large parts of the centre have been destroyed. Mr Valery Borshchev, a liberal member of the Duma, said at least 80 people had been killed

artillery rounds. The city is

yesterday and 56 wounded. Russian official sources estimate that 44 Russian troops have died since the action started nearly two weeks ago.

Britain and France voiced concern over the conflict. "We are concerned and have impressed on [the Russians] the need for a solution to be arranged as soon as possible which prevents further bloodshed," the British Foreign Office said.

In an interview to be published today in the daily Sevodnya, Colonel General Eduard Vorobyev, deputy commander of Russian land forces, says: "We have to save Russia by getting out of the situation which has been created in the country, in Chechnya and in the armed forces."

Gen Vorobyev has tried to resign from his command in protest at the handling of the Chechnya crisis. He says the army involvement was hasty and "the whole principle is wrong".

Gen Vorobyev says he was offered the command of the Chechen conflict by General Pavel Grachev, the defence minister, on Wednesday but refused and instead wrote a letter of resigna-

The Post Factum news agency reported last night that his resignation had been refused by his immediate superior, Colonel General Vladimir Semvonov, commander of Russian land forces. Adding to tensions, Lieutenant-

General Alexander Lebed, commander of the 14th Army in the Transdnestr area of Moldova.

Continued on Page 24 Russian budget passed, Page 2 Convulsions of the body politic,

Cruise liner trapped in New York as Cunard faces lawsuit threat



Passengers aboard the Queen Ekzabeth 2 watch the approaching New York skyline after a cruise marred by an unfinished refit

QE2 refused safety certificate in US

By Richard Tomions in New York, and Neil Buckley and William Lewis in London

The US Coastguard refused to give a safety certificate to the Queen Rlizabeth 2 cruise ship yesterday, leaving her trapped at a New York quayside hours after she was due to sail for the Carib-

The move is highly embarrassing for Cunard, the cruise line Page 6 that owns the QE2. It follows

questions about safety raised by that the failure to complete the passengers on board the liner, refit before the vessel sailed had refit incomplete.

The coastguard's grounds for refusal included the presence of obstacles in passageways. This was understood to refer to the building materials being used for the \$45m (£28.8m) refit.

During the transatlantic voyage, which began last Saturday. angry passengers complained

closed amenities.

When the QE2 arrived in New York at 8pm on Thursday evening, some passengers complained that safety had been jeopardised because corridors and emergency exits were blocked by building materials and debris.

One passenger, Mr Andrew Coad, a vice-president for global

equities systems at Wall Street securities house Merrill Lynch which sailed from Southampton resulted in "building site" condi- said on arrival in New York that to New York this week with a tions cabins without water and he and others planned to file a class action lawsuit against Cunard citing the safety issue.

Mr John Olsen, Cunard's chief executive, strongly denied that safety had been jeopardised. "We take great care with this sort of thing," he said. "We are not com-

> Continued on Page 24 Nightmare on QE2, Page 4

The great mediator returns to base with offer for US strikers

By Jurek Martin in Washington

The Man has done it all this season. No matter what they threw at him in Pyongyang, Portau-Prince and Pale - dictatorial curve balls and sliders and sneaky Balkan change-ups - he hit them all out of the park, the trademark toothy grin getting wider with each victory. The crowds loved him for bringing peace to their troubled lives, even if his technique seemed sometimes unorthodox.

But now The Man wants to take on the ultimate Mission Impossible - and on his home ground, too. He has told the White House and the warring factions that he is ready yet again to step up to the plate. It all happened in a rush late

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New York kmchtime:

on Thursday. Jimmy Carter – for who else could it be but the former president? - let it be known that he was ready to intervene in the US baseball strike.

His offer came just hours before the owners of the 28 major league teams voted to declare an impasse in their negotiations with the players in a dispute that cut last season short in August and threatens the existence of the next one.

The statement from the Carter Centre in Atlanta was carefully guarded. "Our mediation services are available only when both parties genuinely want a settlement and desire us to be of assistance."

And therein lies the rub that yesterday morning suggested he might this time not get even the

chance to star. For Mr Bud Selig, an owner who also serves as acting commissioner of America's national sport, said after talking to Mr Carter. "No. thanks."

The owners' argument was that if Mr Bill Usery, one of the best and most experienced federal labour mediators in the business, could not get the two sides to agree, there was no reason to believe Mr Carter could. "I appreciate his call," Mr Selig added respectfully.

The strike has arisen because the owners want to put a ceiling on team payrolls so as to level the competitive playing field between the richer and poorer sides. The players, whose earnings range from \$109,000 (£69,800)

Continued on Page 24

STOCK MARKET INDICES III STERLING . M DOLLAR New York lunchtime: New York funchtime: DM 1.57925 \$ 1,5435 FFr 5.4545 SFr 1.3332

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E LONDON MONEY (79.8) \$ index 63.7 (same) (6)13%) New York ComedFeb)\$382.3 3-mo Interbenk 6,7% Liffe long plit fut:... Mar 1024 CONTENTS World Commodities 14 Gold Merkets _____14 Equity Options _____11 Lendon SE Infl. Companies . Bourses Markets LSE Dealings Weekpad FT FT-SE Actuaries Section I Stare information ____22.25

Austra Sch32; Beimain Clari 250; Bentrucks \$2,00; Belgium BR65; Canada C\$1.70; China RME26.50; Cypnus C21.50; Canada C\$1.70; China RME26.50; Cypnus C21.50; Canada C\$1.50; Canada C\$1.70; China RME26.50; Cypnus C21.50; Decreate CX10.00; Egypt £26.00; Estonia Eth 20,00; Restand Friends, Flacing Fr

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Russian

budget is

passed as

economic

fears grow

The Russian parliament last

night passed the 1995 budget

against a background of

increasing difficulty for eco-

nomic policy and growing

doubts among international

financial institutions expected

Mr Anatoly Chubais, the

first deputy prime minister,

said the passing of the budget

in the lower house - after 14

attempts in three days of vot-

ing - "strengthens the overall

stability of the country, which

is very important in the con-

text of a nervous social and

political situation of the last

Mr Sergei Alexashenko, dep uty finance minister, welcomed

the vote - by 230 to 127 - but said the main battles would be fought next month around the

precise spending and revenue items when deputies put for-

ward amendments to the draft.

The budget foresees a deficit of 7.7 per cent of gross national product, and predicts an aver-

age monthly inflation rate of

2.5-3 per cent. Inflation last

The Duma agreed to provide

Rhs18.000hn from central bank funds to cover expenditure in

the first quarter of 1995, when

income is small. This appears

to contradict an earlier deci-

sion not to use bank funds to

However, two large issues

loom over the budget strategy.

which depends on almost

\$13bn from the International

Monetary Fund and the World

Bank. Neither institution is

willing to grant the aid until

The first, according to a

senior finance official, is the

still unknown cost of the mili-

tary operation in Chechnya - a

bill-which Mr Grigory Yavlin-

sky, leader of the Yabloko fac-

tion, estimates will soon run into trillians of roubles. Offi-

cially, the cost so far is put at

around Rhs400m, with a fur-

ther Rbs1.000bn to reconstruct

Chechnya after the military

However, the official stressed

that these figures were

guesswork, and a prolonged

operation could radically

change the expenditure needs

- especially if the military is

operation is completed.

the issues are settled.

month was 14 per cent.

cover the deficit:

few days".

to provide assistance

By John Lloyd in Moscow

A snap election could spell the end for Italy's divided regionalist party, writes Robert Graham

requisite for a successful A politician, then Mr Umberto Bossi, the garrulous leader of the populist Northern League, is set to be very suc-cessful indeed.

This week he has been pilloried with insults of betrayal from within and without his party for provoking the downfall of the Berlusconi government. Mr Berlusconi was the most victous, labelling him a "despicable traitor" for bringing a no confidence motion against the government his

party had agreed to join. But the League leader has given as good as he got, with his gravelly voice and rude vocabulary. Indeed he now bears the impish smile of a schoolboy whose prank has gone slightly wrong.

tor within the coalition is a gross over-simplification. He made an electoral pact with Mr Berlusconi which was based on mutual convenience. The League brought to Mr Berlusconi's newly-born Forza Italia the political respectability of a vigorous reformist movement that had toppled the longstanding begemony of the Christian Democrats in northern Italy. In return Mr Berlusconi provided funds, his media power, and his media appeal as new political figure.

Mr Bossi and Mr Berlusconi may share a common identification with their northern roots, but politically they have little in common. Mr Bossi, as the head of a lively regional party that has grown from the grass roots upwards, is wedded to the idea of a more federal Italy. Mr Berlusconi has

national political ambitions and leads a political movement which is tailored for his selfpromotion and which was set in motion by supporters drawn from his Fininvest business empire, Ideologically, Mr Bossi is a liberal; Mr Berlusconi embraces an ill-defined rightwing demagogy.

The outcome of the March

general election results altered the marriage of convenience to a more unequal relationship. Although the League had won a similar number of deputies to Forza Italia and the neo-fascist MSI/National Alliance, Mr Berlusconi's electoral partner in the south, Mr Bossi had only one bargaining chip. This was the threat of withdrawing the League's support from the coalition - without which Mr Berlusconi could not survive.

Mr Bossi cleverly used this

threat from the outset, which corruption by Milan magisexplains why the premier was permanently exasperated by him. Mr Berlusconi countered the danger of withdrawal by the League by threatening early elections and dropping Mr Bossi as an ally.

With an electoral system under which 75 per cent of deputies are chosen on a first-pastthe post basis, League candidates would be extremely vulnerable if they stood alone when other parties have tem. formed coalitions.

This counter-threat lasted only so long as Mr Berlusconi's standing in the opinion polls remained high. Since September his ratings have fallen, and has simply been a question of when Mr Bossi would make the break. Not surprisingly, he chose the moment the premier came under investigation for

trates and had been humiliated by unions threatening a general strike.

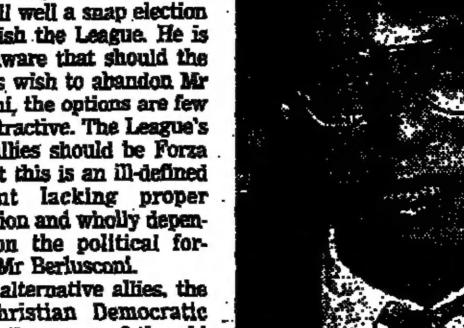
Having now brought down the government, Mr Bossi and the League still face the same threat, as Mr Berlusconi is determined to force early elections. The League's candidates cannot fight elections alone without the risk of being wiped out. They need allies to succeed in the majority voting sys-

The collective fear of becoming a vanishing political force could prove sufficient give to keep the movement together in the wake of Mr Bossi's "treason" against the government. As many as 40 of the 105 League deputies have said they will remain loyal to Mr Berlusdent group headed by Mr

Roberto Maroni, the wily interior minister and long-time intimate of Mr Bossi.

Mr Maroni, like Mr Bossi, knows full well a snap election could finish the League. He is equally aware that should the dissidents wish to abandon Mr Berlusconi, the options are few and unattractive. The League's natural allies should be Forza Italia: but this is an ill-defined movement lacking proper organisation and wholly dependent upon the political for-tunes of Mr Berlusconi.

Of the alternative allies, the small Christian Democratic Centre - the rump of the old Christian Democrat party - is too small; the MSI/National Alliance is too right-wing for many in the League: and the former communist PDS is too left-wing. Thus suggestions that the



League will break up are premature, especially if its memprinciple: united we stand,



Bossi: pilloried

bers realise the value of the divided we fall.

French president steps into 'Gaullist fraud' case

By David Buchan in Parls

France's Socialist President Francois Mitterrand yesterday intervened after a FFrlm (£118,200) bribe was allegedly offered to get a magistrate to drop his investigation of possible Gaullist financial improprieties.

The magistrate, Mr Eric Halphen, is investigating allegations of false invotcing on pabhic housing contracts awarded by the city of Paris, whose mayor is Mr Jacques Chirac, the Gaullist presidential candi-

In the wake of the investigation, Mr Michel Roussin, France's foreign aid minister, who used to work for Mr Chirac, has already resigned. In addition to Mr Roussin.

Mr Halphen has placed 13 others under formal investigation for financial impropriety. One of them is Mr Didjer Schuller, a Gaullist local politician. He has accused Mr Halphen's father-in-law. Mr Jean-Pierre Maréchal, of demanding

money in return for trying to

persuade his son-in-law to drop the inquiry. After receiving FFr1m in a little box from Mr Schuller at Charles de Gaulle airport. Mr Maréchal was arrested by tion. Yesterday Mr Marechal claimed he had been "framed" by Mr Schuller, whom he said he knew professionally. Mr Maréchal claimed he thought Mr Schuller had given him a box of cigars, and said he was amazed to find it contained

FFrlm instead. France's justice minister, Mr Pierre Méhaignerie, has said he will leave it to the public prosecutor to decide whether Mr Halphen should now be taken off the case.

The public prosecutor, in turn, has given Mr Halphen a few days to come to his own conclusions about the propriety of continuing his investi-

Strongly supported by fellow magistrates. Mr Halphen was yesterday ploughing on with his probe into Paris municipal contracting.

But with the Socialist party warning the government not to bory the investigation, President Mitterrand has now asked the Superior Council of the Magistrature, which he chairs, for their opinion on whether Mr Halphen should continue.

Handing the dossier to another magistrate would almost certainly delay a conclusion to the investigation until after next May's presidential election.

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Country-wide truce expected to pave way for four-month halt in hostilities

Bosnia signs interim ceasefire

By Laura Silber in Belgrade

Bosnian Serbs and Moslems yesterday signed a countrywide interim ceasefire agreement, after Bosnian Serb objections forced the truce to be postponed from yesterday until noon today.

Mr Radovan Karadzic, the Bosnian Serb leader, yesterday said he had ordered his forces to stop fighting even before the details of the agreement were hammered out with Mr Yasushi Akashi, senior UN envoy in former Yugoslavia. Before the noon deadline for

the truce passed yesterday, Mr Akashi met members of the Moslem-led Bosnian government in Sarajevo to discuss the terms of the interim ceasefire agreement, which is expected to pave the way for a fourmonth cessation of hostilities beginning January 1. The deal was brokered this week by Mr Jimmy Carter, former US presi-

caused by Serb objections to two points in the agreement. The first called for the resumntion of political negotiations which would lead towards a

plan. Serbs regard the plan dividing Bosnia almost equally between themselves and a federation of Moslems and Croats as a starting point for peace negotiations. The Bosnian government insists it should be the basis of a peace settlement. The second point of conten-

tion was over the exchange of prisoners of war and the tracking of tens of thousands of people who have gone missing over the past 32 months of war. The two sides signed the agreement paper separately. Their respective copies differed on a paragraph concerning a deal to exchange prisoners and information on missing per-

The Serb version said these issues should be treated separately. The Bosnian government version dropped the paragraph altogether, since it insists they should be considered as one. Before leaving the snow-cov-

ered mountain stronghold of Yesterday's delay was Pale after talks which included General Ratko Mladic, the Bosnian Serb commander, Mr Akashi told reporters: "Our enormous efforts have resulted in a happy outcome."

He read aloud the declara- rebel Moslems fighting governfive-nation Contact Group tion of a general ceasefire to ment forces there.



Christmas peace in Sarajevo: UN troops unload aid supplies in a blizzard yesterday. The airlift resumed last week

come into effect throughout Bosnia along all frontlines at noon today.

The most vulnerable point will be around Bihac, the Moslem enclave in the northwest being strangled by Serb forces. The agreement does not include Croatian Serbs and

• In Beigrade, the state power company has announced that electricity cuts will be extended to 12 hours a day throughout Serbia. Outraged citizens have already set up barricades in several cities and towns and assaulted workers from the state power company.

months of UN sanctions for hitting the power plants in a country which once supplied most of the electricity for the 23.5m population of former Yugoslavia, Opposition leaders charge that Serbia is selling power to neighbouring coun-

state-run television and the electricity company, citizens were urged to "shut off at least one of their heaters" so everyone in Serbia would be able to watch a Brazil-Yugoslavia soccer match on television yesterday evening. It was the first foreign match to be played grade were eased in October.

caused trouble all year round.

letting the cattle out of the

that," explains Mr Wahlberg.

"You had to leave out sweet

rice porridge and other offer-

ings for him at Christmas-time

so he would leave you in

At some point over the past

100 years, however, this legend

got confused with the Ameri-

canised version of a jolly fellow

in fur-trimmed red costume

successful in demanding higher defence spending as a price for their actions in Che-

Second, and more serious, the government is considering a draft decree which would replace the regime of quotas on oil exports with an even more restrictive regime of domestic quotas. Mr Chuhais said this week that a decision on the draft had yet to be taken, but most estimates point to its being supported by powerful figures in the government and the presidential administra-

barn and other things like The finance official said that the new regime would slow the pace of reform and tend to discourage foreign investment. particularly in the energy sector. More important in the short term, he said, would be its effect on budget revenues since an energy sector which could not recover its production costs because of very low domestic prices would not be able to pay taxes, nor could it bear losing the exemptions from import taxes which the 1995 budget has promised to

> However, the official said cles were overcome, the Fund was "very positive" on the possibilities of stabilising the economy next year. Mr Chubais said yesterday he believed the chances of agreement with the IMF were "very high".

Peace, goodwill and profits in Santa theme parks

Hugh Carnegy on how four Nordic countries have put the Christmas story to work for them

If you believe everything you hear in the Nordic Lountries, four Santa Clauses will be heading for your chimney stack tonight. Christmas may only come once a year but in the north the legend of Father Christmas is a year-round business that begs a rather sensitive ques-

tion about where Santa really comes from. In four countries - Greenland, Finland, Norway and Sweden - you can visit Santa centres where you can meet the "real" Santa Claus in his "real" northern fastness, tour

his workshop and, of course,

spend lots of money on souve-

nirs, in restaurants and on

such suitable activities as taking a sleigh ride. Everyone involved in Nordic Santa operations is a little coy about the inherent paradox in the proposition that there are four of the benevolent, bearded old men. Destroying the myth of a single Santa might upset an awful lot of children - not to mention damage a good

"We don't like to encourage rivalry between us," says Mr

director of Finland's Santa centre near Royaniemi in the Arctic Circle. "It doesn't serve the children who want to fulfil their dreams. If people want to go to Norway or Sweden and are satisfied, then that's fine

A colleague from another of the region's Santa parks puts it rather more succinctly. "Nobody can own Santa - but everybody can profit from

creet, but it has become real enough as the ambitions of the Santa centre operators have grown over the past decade. The least successful, with just 15,000 visitors a year - probably because of its inaccessibility - has been Greenland's Yuletide park, recently relaunched with a hefty government subsidy after going

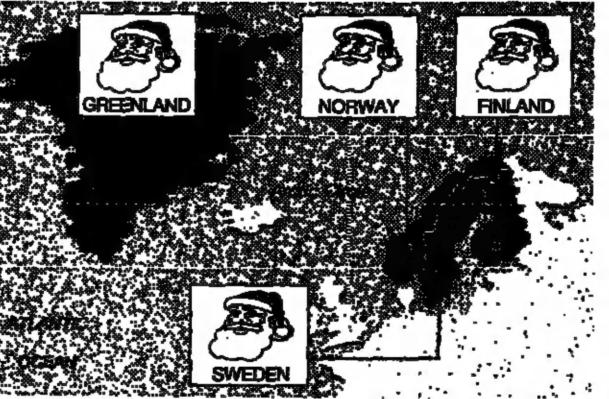
In Rovaniemi, the Santa attractions are part of a larger Arctic Circle Centre set up in 1985 as a focus of tourism in Finnish Lappland, It brings almost 500,000 visitors a year to its range of 30 shops, restau-

Mauri Hakulinen, marketing rants and other attractions. Annual turnover is around FM30m (£4m) a year but one of the ironies of the Santa business is that peak season is in the summer - winter is too dark and cold to attract many

Rovaniemi has a reputation as the most overtly commercial of the Nordic Santa parks. Since it opened, travel agents have chartered a Concorde every Christmas to bring in families from the UK, often for The competition may be dis- a one-day visit. But Santa World (Tomteland

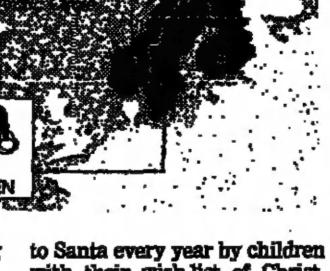
in Swedish) near Mora in centrai Sweden has also developed into a busy theme park since it was established in 1984. attracting 150,000 visitors a year and achieving turnover of SKr35m (£3m). Mr Peter Wahlberg the main owner, reports cheerfully that Santa World is "very profitable", although he declines to give a figure.

Apart from Santa's home and workshop - the latter boused in what is claimed to be Europe's biggest log cabin the park offers everything from elf shows in the forest to skiing and in summer, Santa's



golf course. Santa's swimming pool and Santa's campground. Yulhuset (Christmas House), operated by Willy and Eva Johansan in Droebak, just south of the Norwegian capital of Oslo, is a less extensive centre but still claims 250,000 visitors a year, including many from Japan, where Scandingvian Santas apparently have a

strong appeal. A big part of the Yulhuset Santa centres - is answering thousands of letters addressed



with their wish-list of Christmas presents. The irony of the whole Nordic Santa business is that the legend of a benevolent Santa Claus conflicts with the original Scandinavian folk myth of a magical Christmas-time visi-

The Norwegian "Nisse" and Swedish "Tomte" were evil figures who had to be appeased with gifts from each family. "The real Scandinavian Santa was a nasty, ugly little elf who

who handed out presents to the world's children. This in turn was an adaption of a Dutch wintertime tradition of Sinterklass (St Nicholas) leaving gifts to children in a shoe on the night of December 6

> The original St Nicholas was a 4th century archbishop who lived in Lycia, part of what is now southern Turkey. Every Nordic Santa centre is aware of these uncomfortable details. But business is business. "To claim that Santa is here is a big responsibility." says Mr Hakulinen in Rovaniemi. "But it is a well known

fact that Santa Claus travels

with reindeer and up here in

Lappland it is full of reindeer."

"If you're trying to get the budget deficit down," said the official, "then letting the energy sector flounder will have a very profound effect on your efforts." that, if these two large obsta-



financier

By Tom Burns in Madrid

Mr Mario Conde, who became Spain's celebrity financier in the late 1980s as chairman of Banco Español de Crédito (Banesto), was yesterday remanded in custody on charges of defrauding the banking group's shareholders.

The decision by a high court judge in Madrid to commit Mr Conde to prison came almost exactly a year after the Bank of Spain dismissed him as chairman of Banesto, along with the bank's 19-member board. mismanagement, alleging overspending and an excessive concentration of risk.

Mr Conde was transferred to the maximum security Alcalá-Meco jail. near Madrid, after Judge Manuel this week questioning him over his business affairs.

A self-made billionaire, Mr Conde. 46, mesmerised domestic society as chairman of Banesto between 1987 and 1993 when he picked up a succession of awards as the most admired Spaniard of the year and became a role model for Spain's fledgling yuppie generation.

In Alcala-Meco he will join his close business associate Mr Arturo Romani, jailed last week by Judge García Castellón in the same fraud indictment of former Banesto executives.

The indictment served by Judge García Castellón on Mr Conde and Mr Romani involves a web of shell companies, some of which they

García Castellón had spent 40 hours owned jointly, that allegedly sold last year, as Banesto chairman after economy grew fast on the back of its panies to the group's industrial holding company. Corporación Banesto, at inflated prices. A friend of the royal family (he

hired a sister of King Juan Carlos as an executive of a Banesto cultural foundation) and widely viewed as a future prime minister acknowledged his admiration for Italy's Mr Silvio Berlusconi in a book he published this year). Mr Conde included among his flamboyant activities the creation of a Madrid Business School, a seminar in Moscow that had Spanish

politicians discussing the transition to democracy, and a gathering of intellectuals in the Vatican to debate ethics in business. He was dismissed, on December 28 past 10 years, when the domestic

a Bank of Spain inspection discovered that the bank had had overvalued its Pta7,000bn (£34bn) assets by Pta503bn. In April Banesto was acquired by

Banco Santander after some Pta780bn in public and private moneys had been spent on refloating the troubled institution. In the summer before his dismissal from Banesto, the bank raised nearly

\$700m from the international markets in a rights issue co-ordinated by the US bank JP Morgan. Mr Conde's arrest may mark the chimax of a reaction under way for

some months in Spain against those

who made quick fortunes in in the

liberalisation and Spanish membership of the European Union. The former governor of the Bank of Spain, Mr Mariano Rubio, and the former head of Madrid's stock exchange, Mr Manuel de la Concha. were both beld in preventive detention at Alcala-Meco in May on charges of insider share dealing before being released pending trial.

In October a Barcelona judge ordered the preventive detention of Mr Javier de la Rosa, the architect of multi-million-dollar investments in Spain by the Kuwait Investment Office, KIO, who is accused of defrauding his shareholders in companies that he owned.

Santander sells 1 per cent stake,

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INTERNATIONAL NEWS DIGEST

Fears over HK watchdog

Hong Kong's anti-corruption watchdog may have its powers reduced after an inquiry yesterday recommended transferring some to the courts and greater judicial oversight of its operations.

The Independent Commission Against Corruption (ICAC) has wide powers of inquisition bolstered by laws prohibiting the unauthorised publication of its activities. These powers have given rise to fears that after Hong Kong's transfer to China in 1997 they could be abused by the incoming govern-

Any changes to the ICAC's powers, however, could strain further the already tense relations between Britain and China. Beijing has said in the past that it will not recognise changes to Hong Kong's law made this close to the colony's reversion to Chinese sovereignty. It has charged that Britain is simply seeking to "loosen the screws" of control and make it more difficult for the post-1997 administration to govern.

But the review committee, headed by Dr Helmut Sohmen. chairman of the World-Wide Shipping group, yesterday said some of the commission's powers should be transferred to the courts. These include powers to obtain certain types of information, powers of search and powers to restrain the disposal of property. In addition, a suspect who has had his travel documents confiscated should be allowed to seek judicial review of the decision. At present his only right of appeal is the commissioner. Simon Holberton, Hong Kong

Israeli soldiers killed

Two Israeli soldiers were killed and seven wounded in heavy exchanges of fire with Shia Moslem Hizbollah guerrillas in southern Lebanon yesterday. Two Lebanese policemen died when an Israeli helicopter launched a missile at their car during a bombing raid three miles north of Israel's self-proclaimed security zone.

The clashes began when Hizbollah opened machine-gun and mortar fire at Israeli strongpoints and villages controlled by the pro-Israeli South Lebanese Army in the eastern sector of the nine-mile-deep security belt north of the international border. Israeli artillery fired back at Hizbollah targets. A military spokesman in Tel-Aviv claimed that they inflicted casualties but no details were available.

Israeli aircraft and helicopters also strafed Hizbollah strongholds north of the zone. Yesterday's fighting came amid intensified attacks on Israeli and SLA troops, in defiance of American efforts to revive Israel's peace negotiations with Lebanon and its Syrian patron. *Eric Silver, Jerusalem*

US pace of growth may ease

The US economy grew strongly last month, but the pace of growth could ease in the new year, figures for industrial orders and personal spending indicated yesterday.

The Commerce Department said new orders for durable goods rose 3.4 per cent between October and November, twice the increase projected by most analysts. However, two thirds of the increase reflected a surge in orders for transport equipment - a volatile sector. Excluding transport, orders rose 0.8 per cent and by 13.9 per cent in the year to November.

Consumer spending rose 0.5 per cent in real terms last month following a 0.6 per cent gain in October. Spending on durable goods surged for the second month running, increasing 1.9 per cent in real terms after a 2.3 per cent increase in October. Spending on services was more subdued, rising only

0.1 per cent. The strong demand for durable goods, typically bought on credit, may reflect fears that short-term interest rates will rise sharply after Christmas as the Federal Reserve renews

attempts to curb the pace of economic growth. Yesterday's figures, however, raised doubts about the sustrinability of personal spending. After-tax personal incomes fall 0.3 per cent in real terms last mouth, following a 1.3 per cent gain in October. The personal savings rate fell to 4.1 per cent. historically a very low level. Michael Prouse. Washington

Norwegian ministry accused

Norway's finance ministry tried to tamper with an investigation into alleged tax violations by central bank governor Mr Torstein Moland, a key official said yesterday. Mr Jan Gotaas, head of the Oslo Tax Board overseeing the investigation, said a finance ministry official had attempted to change the way Mr Moland and others were being examined for allegedly breaking tax laws. "I know this from good and reliable sources," Mr Gotaas, also a justice ministry official and a member of prime minister Mrs Gro Harlem Brundtland's Labour party, told Reuters. Mrs Brundtland's government survived a no-confidence vote last May after the opposition attacked its choice of Mr Moland

Tax directorate official Ms Ingrid Tveit yesterday dismissed Mr Gotaas' remarks, saying he had misunderstood a report. The Oslo Tax Directorate is probing the role of Mr Moland and 148 others in K/S Airbus A320, a limited partnership founded in 1990 for financing aircraft purchases. At issue in Mr Moland's case is whether he knew that a stake he held in the partnership was subject to a repurchase agreement at the time he bought it and thus did not qualify for tax breaks. Mr Moland who has denied wrongdoing, invested NKr75,000 (£7,000) in the project, claimed tax breaks and sold in 1991.

Belgacom chairman named

The Belgian government has named Mr Michel Dussenne, head of the National Construction Confederation, as chairman of state telephone company Belgacom. Mr Lodewijk Eggermont was named temporary chief executive officer and a final choice will be made by the second half of January. Mr John Goossens, chief executive of Alcatel Bell, is one of several

candidates for the post. A 14-member board for Belgacom, which became a limited liability company on Thursday, was appointed yesterday. The new board is made up of six private sector representatives including employers federation president Mr Georges Jacobs, three university professors and four executives of public com-

Communications minister Mr Elio Di Rupo said in September he wanted to make a clean sweep of the board after management and political rows which delayed the partial sale and restructuring of the company. Reuter, Brussels.

Finnish strike called off

An indefinite strike due to begin on December 26 in Finland's paper and pulp industry, the country's biggest exporting sector, was called off yesterday when employers and the trade unions accepted a settlement proposal by a state arbitrator. The Finnish Forestry Industries Federation complained that the 13-month agreement, giving an average 6 per cent increase in wages, eroded the sector's international competitiveness. But the award was significantly less than the 10 per cent union claim and rejected most union demands for a cuts in working hours. The settlement, more than three times the current annual rate of inflation, will fuel fears of an inflationary upturn in Finland. Hugh Cornegy, Stockholm

Hochtief to build Greek airport

Greece's Socialist government said yesterday that it had picked Germany's Hochtief to build a \$2.3bn (£1.5bn) airport for the capital. Hochtief, a consortium that includes Flughafen Frankfurt/Main, will have a 45 per cent stake in the airport. The state will retain the other 55 per cent for 30 years, after which it will buy out Hochtief and take full control. The new autport will be built at Athens's eastern suburb of Spata and is expected to take 4% years to build. It will initially be able to handle 16m passengers per year. The Socialists defeated a conservative government last year and scrapped an agreement giving Hochtief 60 per cent control of the new airport for 50 years and exclusive rights to exploit a large area of nearby state land. AP, Athens

Mexico put on negative credit watch

By Ted Bardacke in Mexico City

Mexico was placed on negative credit watch yesterday by the international rating agency Standard & Poors, as both investors and the government struggled to make sense of the implications of this week's 29 per cent devaluation of the Mexican peso.

Ms Lacy Gallagher, Mexico analyst at S&P, explained that Mexico's long-term rating was likely to stay in the BB spectrum, but that the credit watch meant the current BB+ could be downgraded to BB or BB- in the next months.

"The basic question is how the gov- that did not happen in the meeting.

ernment is going to manage the crisis in confidence that has arisen. We are going to be watching very closely how they follow through on the commitments [about economic policy] they have made to investors over the past few days," Ms Gallagher said.

Analysts said that, after the "hostile" meeting in New York on Thursday of 70 money managers and Mr Jaime Serra Puche, Mexican finance minister, confidence could only be restored if questions about inflationary pressures, privatisation revenues and monetary and fiscal policy were adequately addressed - something

"The investors asked for complete details - with numbers and projections and everything - and frankly that is very difficult at the moment," said a senior Mexican finance ministry official. "We are going into brainstorming mode and, by the end of next week, we ought to have an outline that will be satisfactory."

The official said projections would be hard to make until the peso had

The peso was revalued slightly yesterday, reaching 4.75 to the dollar at noon in very light trading. The main Mexican stock market index was down 0.66 per cent at midday, but analysts said it would not be a good reflection of confidence until the peso rate was stabilised and equity prices could be valued in dollars. Mexican stocks trading in New York were virtually unchanged at noon.

Analysts estimate that Mexico's budget will have to be cut by between 2 and 4 per cent of GDP, or approximately \$5bn (£3.2bn) to \$10bn, in order to make up for increasing interest payments on foreign debt and for lower tax revenues from an expected slowdown in the economy. Some of this gap will be closed by lowering resources available to development

Privatisation revenue, generated by sales of existing electricity and petrochemical plants, is being touted as a potential saviour. Executives in those industries say they are interested, especially because serious bargains might be found, but that financing those purchases will be very difficult. Inflation is the other problem, especially as merchants in Mexico City and on the US border began to ignore the government freeze and raise prices. "Its simply not clear how they are going to keep wages and price pressures down," said Ms Joyce

Chang, analyst in the emerging mar-

kets group at Salomon Brothers.

A first saint for Down Under

Nikki Tait tells of an Australian woman about to be beatified

andles will burn a little more brightly this Christmas in Penola a small town in rural South Aus-

A 19th-century nun called Mary MacKillop, whose quarrels with the Roman Catholic Church prompted a temporary excommunication, is due to be beatified by Pope John Paul II in Sydney next month. She will become Australia's, and Penola's, first saint.

Mary MacKillop - or Sister Mary of the Cross, as she was known - looks likely to prove a popular figurehead. In a country which has always admired gritty pragmatism rather than cloistered intellectualism, and has a soft spot for well-meaning rebels, she fits the bill nicely.

The elevation is timely. Despite the general decline in institutionalised religion in many western countries. Australia is one place where Catholicism appears to be on the rise. More than 27 per cent of Australians, or 4.6m people, gave this as their faith in the 1991 census, making it the country's largest religion.

This was not always the case. In the mid-1970s, for example, the number of Anglicans outstripped Catholics. despite the country's Irish and southern European links, But Australia's population rose by about 24 per cent in 1976-91, while the number of Catholics increased by a third.

Her gender also may help the Church, As Ms Janet West, an Anglican historian, pointed out recently: "The Catholic Church has witnessed an erosion of support from younger women accustomed to greater equality in society at large." What's more, Mary MacKil-

lop's elevation is seen in some quarters as a further sign that Debate over the country's constitutional ties to the British



Mary MacKillop

bilities.

Picture courteey of the trustees of the Sisters of St Joseph crown and the possible rede-

sign of the Australian flag is

vigorous. These are plainly secular matters but the notion that the country should have its own saint plays to the same sensi-

"Beatification . . . will be one more sign of Australia's maturity," concluded Lesley O'Brien, author of a recently published biography of MacKillop. "It will be clear that the Australian Catholic Church is not an outpost of the European Church, but an arm of the uni- women's refuges and orphanversal Church, with its own ages.

Mackillop was born in Melbourne in 1842, the daughter of first-generation Scottish immigrants, She moved to Penola in her late teens as a governess, where she met Father Julian Woods, an English-born parish priest who had worked as a journalist on The Times in London.

They established the Order of the Sisters of St Joseph, with the aim of bringing Catholic education to poorer communities. Later, they opened

The fiercely egalitarian out-look of the order and its refusal to accept diocesan control brought MacKillop into conflict with the Church establishment. In 1871, she was excommunicated. The ban was lifted fairly quickly but she continued to battle the authorities for several decades.

Only in 1888 were the Josephites formally recognised as an Order and their constitution approved. Mary died in 1909. The campaign for sainthood has been under way for more than half a century. It began in the 1920s but was halted when earlier, unsubstantiated allegations of alcoholism resurfaced. Her cause was pressed again from the 1950s. This year, the Vatican formally recognised her role in one miracle - the cure of a woman suffering from leukaemia. Beatification

was agreed. According to local church authorities, this will mean that she may be revered as a saint in Australia – she will have her own saint's day, for example. However, another miracle needs to be accepted before she can be canonised and fully recognised as a saint within the Catholic Church.

A local industry built around the recalcitrant num is thriving. Her life story featured in a recent Qantas in-flight magazine, a documentary about her beatification has been aired by the Australian Broadcasting Corporation, a film of her story, backed by the Australian Film Finance Corporation, is in cinemas, and several paperback biographies are in the bookstores.

Nowhere is this surge in interest more marked than at the Mary MacKillop Secretariat in North Sydney, where the Josephites are based. An office groans with paraphernalia ranging from postcards and pamphlets to a specially designed toile fabric.

Argentina opts for austerity

By David Pilling in Buenos Aires

Mexico's economic convulsions have produced a swift and emphatic response in Argentina, where President Carlos Menem announced a policy of "total austerity" and vowed to maintain, at all costs, the dollar-peso parity enshrined in law since April 1991.

"We are not Mexico and we will not devalue. Argentina will not vary its path in the slightest degree," he said late on Thursday, after his unprecedented attendance at the National Economic Council.

Mr Domingo Cavallo, economy minster, announced a series of emergency austerity measures aimed at calming international investors, after fears of repercussions from Mexico had sent shares and bonds tumbling and had led to a near-tripling, to 25 per cent, of short-term interest rates.

Argentina would emit no new debt of any kind while interest rates remained high, Mr Cavallo said. Far from "flexibilising" the convertibility plan - by which the law handcuffs the peso to the dollar and forbids the Central Bank from issuing unbacked local currency - Argentina would make it "more rigorous and pure", he said.

To show its resolve, the government would cut \$1bn (£645m) from the \$42bn draft budget next year.

"We are going to demonstrate that we will maintain the rules of the game and within a few weeks, or perhaps months - the international financial community will see that we are capable of facing up to such adverse circumstances," the minister said.

By noon yesterday, the Merval blue-chip index of the Buenos Aires stock market had recovered by 1.7 per cent, after losing 10.6 per cent in the previous three days.

However, some analysts were not convinced by Mr Cavallo's performance. Mr Juan Arranz, country manager at Santander Investment. described the emergency measures as a "show". Of Mr

Cavallo's pledge to issue no new debt. Mr Arranz said: "It is not that he won't borrow any more money; it's that noone will lend him any."

Mr Cavallo warned against "simplistic" attempts to draw parallels between Mexico and Argentina. Some analysts had done just that last December. be said, when they had compared riots in Santiago del Estero, in northern Argentina. with the Chiapas uprising in southern Mexico last January. A year later, Chiapas was still in turmoil whereas Santiago del Estero was calm. "Politically, socially, economically and financially, Argentina is not Mexico." Mr Cavalio

Mr Menem, who will not welcome having to take austerity measures so close to the presidential election next May, has shown, even so, his commitment to the convertibility plan, which has brought inflation down to below 4 per cent a year and spurred rapid eco-

nomic growth. Mr Nicolas Grose-Hodge chief manager at Lioyds Bank in Argentina, said: "There is no possibility that the government will devalue - it would lose them the elections. The whole credibility of the administration is based on the stabil-

ity of the currency." He also backed the Central Bank's decision yesterday to suspend, for the second day, all repurchase agreements (short-term peso loans) after a sharp move into dollars on Wednesday. In December as a whole, however, demand for pesos has caused the Central

Bank to buy a net \$423m in

dollars, suggesting there is, as

yet, no pressure on the peso.

Mr Grose-Hodge said that Argentina's bimonetary system "makes things easier in the sense that people still have access to dollars irrespective of what the peso is doing.' Because the dollar has an important presence in Argentina's financial system, where about half of deposits are in the US currency, high peso interest rates need not have an immediate effect on economic

Sweeping reshuffle in S Korea approach to North Korea.

By John Burton, Secul Correspondent

South Korean President Kim Young-sam yesterday replaced more than half of his cabinet. in a sweeping reshuffle meant to revive his faltering administration. It is the biggest cabinet shake-up since the Kim administration took office in February 1993, with 15 of 22 ministers being changed.

Key appointments indicate that the president is determined to push through economic deregulation, while signalling what may become a tougher attitude toward North Korea, in spite of the recent nuclear agreement that Pyongyang signed with the US. The reshuffle had been

expected after Mr Kim, earlier this month, ordered a reduction in the bureaucracy, eliminating several ministries. The president's popularity has fallen in the past 18 months from an approval rating of 90 per cent to less than

40 per cent, as his programme of economic and political reforms has lost momentum. The administration has also been damaged by corruption scandals and public disasters such as the recent collapse of a Seoul motorway bridge in

which 32 people died. Mr Hong Jae-hyong, deputy prime minister for the economic planning board (EPB) and earlier a finance minister in the Kim administration, will become the bead of the country's new enlarged economic ministry, the Finance and Economic Board. This powerful agency is a product of a merger of the EPB and the finance ministry, approved by parlia-

ment yesterday. Mr Hong's appointment "reflects the president's intention that the EPB take over the finance ministry, rather than vice versa", said a presidential aide. The EPB is considered a stronger supporter of financial liberalisation and economic deregulation than the conser-

vative finance ministry. Mr Park Jae-yoon, current finance minister, will replace Mr Kim Chul-su, trade and industry minister.

Mr Park was chief economic adviser to the president before becoming finance minister in September. He is considered one of the main architects of the economic reform pro-In foreign affairs, Mr Han

Sung-joo, seen as a moderate on the North Korea issue, was replaced as foreign minister by Mr Gong Ro-myung, a career diplomat and now ambassador to Japan. Mr Gong's appointment represents a victory for foreign ministry officials, who did not fully accept Mr Han because he was an academic rather than a diplomat.

Mr Lee Hong-koo, deputy prime minister for unification, who was appointed the new prime minister last Saturday. is regarded as the only remaining voice in the cabinet to be urging a conciliatory

His replacement as unification minister, who is responsible for inter-Korean relations. is Mr Kim Deok, current head of the intelligence organisation, the agency for national security planning, and seen as a hardliner on North Korea.

The US-North Korean nuclear accord has been criticised by South Koreans for offering too many concessions to Pyongyang, including western aid and US diplomatic ties. in return for dismantling its nuclear programme. The military is also gaining

influence in the cabinet after Mr Kim, a former dissident. had distanced himself from the armed forces which controlled South Korea in 1961-87. Mr Kwon Young-hae, a

retired army general and former defence minister, will become the new head of the intelligence agency. Air force General Lee Yang-ho, chairman of the joint chiefs of staff, will be the defence minister.

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Jogging into trouble on the Gulf board subsidies, dissatisfacrose, the demonstrators added

By Our Middle East Staff

The violent clashes between demonstrators and police. which have erupted in Rahrain this month are a timely reminder of how brittle relations can be between Gulf governments and important segments of their own people. Bahrain is the third member

of the six-nation Gulf Co-operation Council - which also links Kuwait, Oman, Qatar, Saudi Arabia and the UAE - to have been forced to acknowledge public dissent on a small but significant scale in the past six months. Between May and August, several hundred people were arrested in Oman for sedition, and many more than the 116 officially acknowledged by the Saudi authorities were arrested in September at Buraidah, centre of the kingdom's conservative

heartland. The Bahrain clashes started a month ago as a local village incident. On November 25.

thon, including female foreigners, were stoned by villagers at Jidhafs, a poor and mainly Shia area a few miles west of Manama, the capital.

According to diplomats among the runners, one participant was severely hurt. Joggers, particularly scantily clad ones, have long been the object of ridicule and resentment among the poorer and more conservative segments of countries in the Arabian pen-

The police, still advised by a former British police officer who won his spurs in the Kenya campaign against the Man Man, then arrested several villagers. When a local Shia cleric, recently returned from theological studies at Qom in Iran, denounced the arrests, he in turn was detained.

play down the trouble, but it harder to lubricate their rumours and stories of police economies with liberal cash brutality grew. As tension hand-outs and across-the- circumstances have changed.

to their list of complaints. Further attempts to crush the popular action led to more violence and at least two people, including a policeman, were killed. The demonstrations continued this week and now include demands for a return of Bahrain's parliament, dis-

solved in 1975.

The violence appears not to have affected most of the estimated 547,000 population, of which a third is foreign. But the continuation of the monthlong disturbances this week was especially embarrassing as Bahrain played host to the annual summit of the GCC.

While oil prices were high and economic development kept entire populations busy making money, public disenchantment was rare, even among the poorest members of national communities. Now The government sought to . that governments are finding

tion among poorer people is becoming more widespread and closer to the surface. Traditional rulers find public exposure of their governmental deficiencies hard to accept, especially as the demonstrations in Bahrain and

Saudi Arabia have highlighted

the fault lines running

through all GCC countries.

These are superficially economic: flat of revenues; persistent and rising budget defiunemployment (particularly among graduates of home-grown universities supposed to reflect gloriously on the "wisdom and far-sightedness" of their respective rulers); cuts in state hand-outs (including subsidies on water.

no longer afford). Most of all, however, the fault lines reflect GCC governments' failure to explain to their own people how material

electricity, health and trans-

port which governments can

By Raymond Snoddy

British Sky Broadcasting, the satellite television company, and Reuters, the news and information group, are on the verge of an international television partnership deal.

The deal, expected to be finalised early next year, will give Reuters - which is expanding globally through an organisation with an illustrious brand name in international news in text form - its biggest push so far into television.

For BSkyB, the link will help to sortium in which Pearson owner of

cut the £30m-a-year cost of the lossmaking Sky News, the 24-hour satellite service, while greatly expanding its network of correspondents.

The partnership will also provide the platform for Sky to go international and challenge both Independent Television News and the BBC, BBC World, a 24-hour satellite television news service.

Barlier this year, Mr Sam Chisholm, chief executive of BSkyB, a con-

the Financial Times, is a significant shareholder, confirmed he had been talking to ITN but emphasised that the organisation was only one of a number of potential partners.

ITN was offering to supply Sky News in its entirety, under contract for BSkyB - something that would have seriously hit jobs at Sky News. The precise structure of the BSkyB/Reuters partnership is still being negotiated although it is believed to be unlikely that it will be

One of the main possibilities that could flow from a formal agreement between the two is a central challenge to ITN in the UK market.

Under the 1990 Broadcasting Act, the Independent Television Commission has to decide by the end of next year how many news suppliers there should be for commercial television. At the moment ITN, chaired by Mr Michael Green, the Carlton Communications chairman and chief executive, is sole news provider to both ITV and Channel 4.

The commission will review ITN's performance towards the end of next year and decide whether there is room for competition from a second commercial television news supplier.

A Sky News-Reuters partnership could become a credible rival to ITN and might be supported by a number of FTV companies which are not ITN shareholders. They would have an obvious commercial interest in at least using the threat of competition to reduce the cost of news supply.

In the international arena, the pos- makers.

sibilities range from a special version of Sky aimed at the Asian market through Mr Rupert Murdoch's Star satellite television service, to going on DirecTV, the recently launched digital satellite television system covering the US.

Reuters is already in the television news agency business through Reuters Television, formally Visnews, and more recently has expanded into specialised financial television for European dealers and market-

Mayhew hints at big cut in RUC

Sir Patrick Mayhew, the Northern Ireland secretary. has hinted that the Royal Ulster Constabulary may eventually be cut to little more than a quarter of its present strength, David Owen writes. He told the Yorkshire Even-

ing Press that the province's policing needs "in ordinary times" might be "of the order of 3,500", compared with 12,000 officers at present. But Mr Ken Maginnis, secu-

rity spokesman for the moderate Ulster Unionist party, said he thought Sir Patrick was "way, way out".

He said the existence of "mafioso-style" protection rackets and drug trafficking meant the province needed at least 7,500 police officers. He said he doubted if a reduction to even this level would be achieved in the next five years. The Rev William McCrea of

the hardline Democratic Unionist party said Sir Patrick was talking about a "hypothetical situation". He added: "There is not a genuine peace."

Nuclear levy to be held at 10%

Nuclear Electric, which operates nuclear power stations in England and Wales, has agreed to postpone revenues from the nuclear levy in order to prevent an increase in the controversial tax on electricity bills. Professor: Stephen Little child, the electricity regulator, announced yesterday that the levy would remain at 10 per cent for another 12 months even though receipts were run-

ning £300m behind plan. Prof Littlechild said the levy should have gone up to 13 per cent next April to make up the shortfall. Nuclear Electric was willing to forego an increase because it had enough shortterm cash.

Yesterday's announcement means it is unclear how the shortfall will be recouped. It could foreshadow a much steeper increase in the levy in 1997-98. However Prof Littlechild said that he hoped an increase would not be neces-

Capital spending increases by 1%

Total capital expenditure by all UK industries increased by a real, seasonally adjusted 1 per cent between the second and third quarters and was 3 per cent up on the third quarter of last year, estimates from the Central Statistical Office show. In a separate announcement. the CSO disclosed that the level of stocks and work in progress in the production and distribution industries rose £418m (at 1990 prices and seasonally adjusted) in the three months to the end of September after a rise of £454m the previous quarter.

Abbey predicts confidence boost

Strong economic growth and falling unemployment will increase confidence among homebuyers, Abbey National bank predicted yesterday. It forecast a rise in average house prices of up to 4 per cent, although with significant regional variations. Turnover would rise to 1.3m transactions

from about 1.25m in 1994. Abbey National also predicted that base rates would be about 7.25 per cent next December and that the standard variable mortgage interest rate could be above 9 per

Abu Dhabi close

An offshoot of the Abu Dhabi government is expected to be named preferred bidder for Health Care international, the private hospital near Glasgow which went into receivership in November, only four months after it opened.

Arthur Andersen, the joint receiver, is close to finalising an agreement with the Abu Dhabi Investment Company, a to know we were going to get subsidiary of the official Abu Dhabi Investment Authority.

Nightmare before Christmas on the QE2

Neil Buckley, Richard Tomkins and William Lewis on the trials and tribulations of passengers

arly last Sunday
Andrew Lennox was cold, stiff and fed up. After sleeping for three hours in a corridor, he got up, adjusted the hard hat he had put on for safety, and set off to find somewhere more comfort-

A sign saying Purser's Office reminded him where he was. This was not an unfinished Spanish hotel but the Queen Elizabeth 2, the world's most famous passenger liner and what the chief executive of Cunard, its owner, would later call a "national heritage monu-

As Mr Lennox wandered deeper into the ship, it hardly resembled a monument. Cables and pipes protruded from holes in the ceiling, building equipment was strewn everywhere, and cabin furniture stacked in open spaces. Some passengers without cabins were sleeping on mattresses, while some of the 400 workers still on board were making themselves comfortable as best they could.

Later this week, as news of conditions on the QE2 filled the newspapers, what started as an inconvenience for passengers turned into a public relations disaster for the liner and its operator. The reputation of the British ship outfitting industry was also threatened as tales of the "Horror" Cruise" emerged.

For Mr Lennox, the priority was getting to sleep. Spying an empty cabin on 3-Deck which at least had a bed in it, he lay down. Not the ideal start to his 30th birthday.

It was also not the way Cunard executives had planned the QE2's £30m refit. Twenty-five years after the liner's maiden voyage, the refurbishment was supposed to prepare it for the 21st century.

"We had to invest in the vessel or take another course." said Mr Robin Wilkins, Cunard's commercial director. The "other course" was building a new liner.

In addition to structural alterations, all 963 cabins - 720 with en suite bathrooms were to be re-equipped; three restaurants, the casino and the library rebuilt: and two new nightclubs and a pub constructed.

To save on the costs of keeping the liner in dry dock, the refit was to be attempted in just a month. Although workmen would be on board from July, the ship would be out of service only from November 14 to December 14 - leaving it ready to sail on its Christmas cruise on December 17. That meant thousands of workers from more than 50 companies being flown to Hamburg's Blohm & Voss shipyard to work to a complex timetable. Cunard admitted the programme was ambitious but

"All the contractors knew what they were undertaking and were prepared to tender for it. They convinced us they could finish on time," said Mr Michael Gallagher of Cunard. By late November, the QE2 was in dry dock and virtually

said it was achievable.

unrecognisable, buried under a mass of cables, cranes, ladders and workers. On December 13. as planned, it sailed for Southampton, the vast majority of the work complete. But inside, a small number

of contractors had fallen behind. When the ship docked in Southampton the next day. Cunard officials were alarmed at the state of the cabins and neighbouring corridors, but said they were assured by contractors that hundreds of men working round the clock could transform the ship in just a few days.

On Friday December 16, further inspections convinced Cunard officials that not everyone due to sail on the QE2 the next day could be accommodated. Determined not to cancel the cruise, Cunard decided to contact some of the passen gers and offer compensation if

they abandoned their trip. "We felt we had a duty and obligation to fulfil the holiday requirements over the Christmas period. We felt it was very important to stick to that schedule," said Mr John Olsen, Cunard's chief executive.

Only 300 passengers could be contacted. Several hundred others arriving in Southampton the following day faced an unpleasant shock.

ost passengers knew nothing of the prob-L ▼ _ lems. They checked in about 2pm and settled down in the passenger lounge to wait for the 5pm departure. At 4.30pm . Cunard announced there had been a short delay and the ship would sail at 6pm. Boarding began. with round-the-world cruise passengers escorted on first.

Two hours later, stewards entered the lounge where almost 300 passengers were still waiting and made an announcement: owing delayed completion of refitting work, insufficient cabins were

gers could be taken on board. "That was perhaps the worst moment of all," said Mr Lennox. "There was absolute chaos."

available and no more passen-

The next few hours passed in confusion, as 190 passengers agreed to go home in return for a full refund, and a free cruise next year, plus £250 spending money. Added to the 300 whose holidays were cancelled the day before, that made 490 nassengers left behind Another 80 insisted on

boarding the ship anyway, knowing their cabins would not be ready. The ship sailed Coad said.

period. We felt it was very important to stick to that schedule' Cunard's chief executive John Olsen

six hours late at 11pm, with many still looking for somewhere to sleep. Many of the public areas, as

Cunard claimed, had been finished to a high standard. But in some areas, especially towards the rear of the ship and on 3-Deck, conditions resembled a "building site". Mr Andrew Coad, a Briton living in Montclair. New Jersey, said: "The higher up the deck, the less dissatisfied people were. The predominant problems appeared to be on

2-Deck and 3-Deck." Mr Coad, who ended up on 3-Deck, said he and his wife were originally given a room that had water slopping in the entrance, no carpet, and builders' materials in the middle of the floor.

"Eventually we went to the purser's office and they told us the ship was about to sail, so we threatened to jump across and grab him by the throat and said they had to stop that ship sailing until we had satisfac-

Mr Coad and his wife were taken to another cabin that at first seemed acceptable but had no running water. "It was three days before we got running water and 3% days before the tollet would flush." Mr

We felt we had a duty and obligation to fulfil the holiday requirements over the Christmas

It was three days before we got running water and 31/2 days before the toilet would flush'

passenger Andrew Coad Mrs Katherine Justice, 70, and her friend Mrs Megan Taverner, 73, said they were both suffering from sickness and diarrhoea, but their cabin had no water, no air conditioning

and no flushing toilet. "We washed in a carafe with two flannels," Mrs Justice said. "They gave us a wine carafe they put that in there, with ice - and as soon as the ice melted, we used our flannels to

"It's horrific what happened to us. We are not the nouveaux riches. It's a dream, isn't it, the QE2 - somebody kind and loving to look after your every need. We couldn't even get

year-old museum archivist from White Plains, New York, said: "I think the basic problem was that the plumbing job was done in too much of a hurry. Several times a day you would hear the amouncement 'Niagara! Niagara! Niagara!' which meant that the special team that was there to stem

Cunard chief John Olsen (top) offered QE2 passengers their money back in compensation. The press were in New York to greet them when they disembarked (right)

Mr Stewart Manville, a 67-

the leaks would come running. "When I first got on, my toilet worked, thank God. But I was beloing a contractor find bedrooms for some of his workers, and we tried several cabins where the toilets weren't working. Eventually we figured out that if you took the douche spray from the bath and sprayed it into the toilet, you could make it flush."

To cap everything, the QE2 ran into force nine gales shortly after leaving Southampton. Seasickness among passengers and workers caused further delays to refitting, and on Tuesday another 158 UK passengers due to join the cruise in New York had their holidays cancelled. Cunard's nightmare was worsening. Back in London. Cunard

found the spotlight trained on its handling of the affair. Industry observers believe it made many mistakes. The first was going ahead with the A hotel company executive

aboard the ship said: "The best option would have been to cancel the cruise, apologise and give everyone their money

A second mistake was the failure to take on public relations consultants, but rely instead on Cunard's two beleaguered press spokesmen to handle hundreds of calls from the world's media.

"They should have taken on a good agency and begun a massive damage limitation to confirm he would meet the exercise as soon as the prob-

said a PR consultant. Perhaps the biggest mistake, having allowed the cruise to go ahead, was to fall to make any apology or compensation offer to passengers as they crossed the Atlantic.

lems began last Saturday."

"That was what really irritated us." said Mr Lennox. "We never got any kind of apology from Cunard. But we knew people left behind had already been offered compensation." "We have no complaints about the crew, who were abso-

"But Cunard's attitude was terisgruntled passengers met the liner's captain. Ron Warwick last Tuesday and asked him to secure an apology and compen-

sation offer from Cunard On Wednesday, at an angry meeting with about 250 passengers. Capt Warwick reported that Cunard had simply advised passengers to write to their nearest Cunard office when they arrived home. Some passengers were

incensed. About 150, of whom Mr Lennox emerged as leader. threatened a sit-in in New York until Cunard directors came on board with offers of Not all passengers agreed on the action to be taken, how-

ever. Speaking from the ship on Wednesday. Mr Peter Ludlow. a passenger travelling with his girlfriend on a £7,500 cruise, remarked: "It's all getting quite factional here. among the passengers. It's getting a bit like Bosnia."

The next day Cunard began its fightback. Mr Olsen gave a press conference in New York

As the QE2 docked in New York on Thursday night, 11 hours late but in a better condition than it had left Southampton, Mr Olsen was waiting with soothing words, an offer of reimbursement for the transatlantic leg of all passengers' journeys and 25 per cent off another Conard cruise. The

threatened sit-in was averted but yesterday passengers faced further delays after the US Coastguard refused to give the ship a safety certificate. lutely marvellous," he added.

US passengers were reported to be planning a class action suit which, if successful, could cost Cunard millions of dollars. In total, the company already faces the cost of reimbursing about 1.000 passengers who had paid between £500, and £5,000 for transatlantic cruises and of providing many with

free cruises next year. There may also be longerterm effects, both for Cunard and other cruise operators. "The cost in terms of consumer confidence in the company could be high," said Mr Keith Betton of the Association

of British Travel Agents. However, Mr William Gibbons, director of the Association of Passenger Shipping, did not believe the QE2's problems would damage the image of the cruise industry. "People perceive the QE2 as

a one-off, prestige vessel," he said. "Generally people have a high opinion of cruise holidays and they have short memories. They will have forgotten about this in a few months." Those who travelled on the ship might not forget so quickly.

Fishermen angered by Spanish deal Training body's failure reveals funding minefield in excluding Spanish trawlers

By Motoko Rich

The appointment of receivers by the Department of Employment at South Thames Training and Enterprise Council on Wednesday singled out the Tec for weak financial controls and trading losses. But it also illustrated some of the funding pressures that are faced by the employer-led training bodies. Leaders of Tecs. which

administer government training in England and Wales, say they operate under one of the most rigorous funding and auditing regimes in the public sector. Tecs are audited up to five times a year - by the Depart-

ment of Employment head

office, one of its regional

offices, the National Audit Office, the European Commission and Companies House. The 82 Tecs are set up as companies and receive most of

their funding - a total of about

£2bn a year – from the government. But unlike quangos. which are funded by grants. Tecs are paid in arrears for services delivered. The Tecs act as purchasing

authorities, contracting with private-sector training providers to deliver services such as Training for Work, the scheme for the unemployed. If a Tec fatis to meet the targets that it sets with government, it does not get paid. It

tracted services have been delivered before payment is It is understood that South Thames Tec has lost £2m over the past eight months, primarily because it did not provide satisfactory evidence of its claims to the government. Ms Gwynneth Flower, chief

executive of Centec in London.

said the claims evidence had to

come from training providers,

and therefore financial control

was crucial. "The principal threat I would see in a Tec is if it does not manage its contractors effectively. Tecs must also provide extra

These are paid for with the surpluses they make on government-funded programmes. They find contractors to provide training for less than the amount the employment department would pay must also prove that the conthe Tec for the service.

services - such as childcare

which the government does

It is believed that South Thames Tec was trying to provide services it could not afford as it was not making a surplus. Mr David Liddell, acting chief executive who replaced Mr Michael Hanson when he resigned in August, said: "We would have been spending over the budgeted government income deliberately because we thought we had surpluses from the previous year."

By Deborah Hargreaves Under the deal agreed by Fishermen yesterday voiced ministers on Thursday night, their anger at the deal agreed

by European Union ministers to allow Spanish trawlers increased access to coastal waters around the UK. Mr Geoff Bullus, a Newlyn fisherman and director of the Cornish Fish Producers Association, said: "We've been totally screwed. How much more bad language can you listen to?" He added: "The Spanish fleet

will destroy whatever stocks

Spain will be allowed access to the Celtic Sea - between southeast ireland and south-west England - and will be able to send 40 trawlers to the sensitive Irish Box, the waters around south-west ireland where many fish have their breeding grounds.

Mr William Waldegrave, agriculture minister, abstained on the vote which agreed the compromise deal. He succeeded from the Irish Sea and the Bristol Channel but Mr John Sayles, a Shetland fisherman. said: "This is just a stepping stone, soon they'll be claiming access to the North Sea." Mr John Ashworth, who runs the Save Britain's Fish campaign, said increased access would lead to cuts in

British fishing capacity. "This sadly, the Brits will have to go in order to make room for the Spanish."

Mr Ashworth is campaigning for Britain to leave the Common Fisheries Policy and claims support from 75 per cent of the nation's fishermen. Mr Bullus said the deal would force the British fleet to ignore quotas and other regulations to survive. Mr Waldegrave said: "I'm not

saying this deal is perfect. would have liked more. But at would have been rather happy this much."

to health contract

Mr Murdoch McKillop of

LME member fined £60,000 for rules breach

By Kenneth Gooding, Mining Correspondent

The London Metal Exchange has imposed a fine of £60,000 on Sucden (UK), part of the Compagnie Financière Sucres et Denrées (CFSD) group of France, it is believed to be the first substantial fine imposed by the LME's disciplinary committee under its selfregulatory system.

The LME said that its rules had been breached in May when Sucden (UK) had applied to change from associate membership to one of the LME's 18 ringdealing members. Sucden (UK) had not disclosed that CFSD was looking for a partner - and possibly a majority shareholder - in Terminvest, its imme-

diate parent. The exchange's rules insist that every applicant for change of member-

ship status should disclose all material information, including any possible change in ownership, even of a minority interest, in an immediate parent company.

The LMR said its fine would have been more severe were it not for the fact that the offence was one of omission and "no statement of fact was made to the LME which constituted a positive misrepresentation by Sucden".

There were also circumstances that "rendered the failure to disclose partially excusable".

Negotiations took place for the Winchester Commodities group to take over Sucden (UK) after it gained ring-dealing status, but these were called off at the end of November. CFSD recently restructured its

futures trading operations and said Sucden (UK) was no longer for sale.

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Allegations of cover-up denied
Conviction rate defended
Overhaul of fraud detection anticipated

SFO chief defends its actions over Guinness

By Jimmy Burns

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Mr George Staple, the director of the Serious Fraud Office, yesterday defended the actions of the SFO in the Guinness trial and said it would fight the appeal involving the four original defendants.

He strongly refuted allegations of a cover-up made earlier yesterday by Lord Spens. another Gumness defendant He told the Financial Times:

"What Lord Spens is saying is pretty extravagant stuff frankly. It's not true. We are not here to deny people's human rights. We are here to ensure, so far as we can, that people have a fair trial."

He added: "Of course we are here to secure convictions where we believe somebody has committed fraud...but we are not here to win at all costs. We are here to ensure that the court receives the fullest information so that ultimately the

jury can decide." The appeal relates to a claim that the SFO withheld material evidence from the four defendants in the first Guinness trial. Mr Staple was not in charge at the SFO when the case was put together but he yesterday assumed full responsibility on behalf of his organisation. He said the office had taken the view at the time of the first Guinness trial that material showing that share support operations, of the kind practiced in the Guinness case.

were common practice in the the 1980s was not relevant. "Only when Lord Spens' trial began, did it become apparent that the material was relevant

to his defence and it was produced." He added: "It was produced entirely voluntarily. There was no suppression in A successful appeal could

open up claims for an unprecedented amount of compensation. Based on the fines given to the defendants, and additional claims for personal and associated business losses, some estimates yesterday were putting these at between £30m and £40m. Mr Staple said: "It sounds to me a huge amount of money to compensate anybody for but I can't say whether it is right, near right, or wildly exaggerated."

He also defended the SFO's conviction rate - he put it at 80 per cent of cases against the Labour party's estimate of 40 per cent.

A draft report on the future of the SFO is soon to go before government. Mr Staple seemed to anticipate an overhaul in the way fraud cases would be dealt with in the future. He said some cases that the SFO prosecuted through the

criminal courts could in future be dealt with by City tribunals. He refused to accept however that Guinness had sounded the death knell for the SFO after other setbacks such as the Blue Arrow case.



the main elements of the Guinness Court of Appeal applications is a little-known December 1988 tribunal report into TWH Management, a licensed share dealing com-

The tribunal, chaired by former circuit judge Lord Grantchester, was held to consider an appeal against a Department of Trade and Industry ruling that the company be stripped of its licence.

The tribunal sat in private to consider a series of share transactions carried out by TWH involving indemnities against possible losses given to the purchaser of the shares. It examined seven cases of indemnified share support operations being used at about the same time as Guinness's 22.6bn takeover for Distillers in January 1986. One of these was TWH's own involvement

used in the Guinness takeover. The Tribunal judgement was known to the Serious Fraud Office at the time of the first Guinness trial in 1990, but the SFO failed to make it available to the defendants.

in the share support scheme

Lawyers of the four men who were convicted at that trial, including stockbroker Mr Anthony Parnes and entresequently acquitted, believes



The report was produced in the trial of former merchant bankers Roger Seelig (left) and Lord Spens

preneur Mr Gerald Ronson, believe that had the tribunal report been made available to them, it would have made a material difference to the conduct of their defence.

The tribunal report came to light during the second Guinness trial in 1992 which involved Mr Roger Seelig, former director of Morgan Grenfell, the merchant bank, and Lord Spens, former director of Henry Ansbacher. That trial was abandoned due to the illhealth suffered by Mr Seelig, but Lord Spens, who was sub-

disclosure of the tribunal report would itself have led to

the case being dismissed. "There is nothing wrong with indemntties," Lord Spens said. "But the existence of the report had been well and truly

In a letter to the Financial Times in June, Lord Spens said: "The evidence and judgment of this tribunal were kept secret by the government for some three years (for reasons that will become abundantly clear) and not revealed to the defence in the second Guinness trial until forced out

ing of the 54th day." Lord Spens wrote "I am satisfied that, had this evidence been made available to the first Guinness trial, it too would have collapsed and none of those defendants would have been convicted."

The TWH tribual considered six cases involving indemnities given to the purchaser of October 1985: an indemnity

to cover purchases of United Newspapers shares to assist that company in its takeover bid for Fleet Holdings.

• February 1986: an indemnity to cover BPCC share pur-

chases. April 1986: indemnities to cover purchases of Extel shares to assist in the takeover of CFE Publications. • June 1986: indemnities to

cover purchase of Next shares during its bid for Grattan. September 1986: indemnities to cover purchases of Lowe Howard Spink Bell shares to assist in its takeover bid for Good Relations. • September 1986: indemni-

ties to cover purchases of Allied Plant shares to assist in its takeover bid for George

Directors of TWH claimed in interviews with the SFO that they believed that such practices were proper and common.

In the tribunal report, Lord Grantchester concluded that there is nothing intrinsically improper in the purchase and sale of shares in the market under an indemnity arrangement entered into between the dealer and a third party. In principle there is little or no difference between such a transaction and a purchase in the name of a nominee."

The tribunal recommended to the trade and industry secretary that TWH's licence should not be revoked.

Queen's goes on Internet

By Raymond Snoddy

Christmas television is going to be launched in cyberspace for the first time on Christmas day with the Queen's broadcast leading the way.

In what is claimed to be the first rudimentary television schedule to be transmitted on the Internet, a London consultancy called intervid is offering three hours of internet television for devotees of the web.

After the midday launch fanfare, the Christmas schedule will get under way with Xmas With the First Family - breakfast with Mr and Mrs Clinton courtesy of the White House pages of the Internet World Wide Web.

Then its Herbie Hancock live from Japan via a feed from NHK, the Japanese broadcasting organisation. The Queen will be broadcast later - one minute after the real thing. internet users with special software - CU-SeeMe - will be able to see the schedule with the majority of viewers likely to be in California and Japan. University College London

has helped by making band-

width available to the service.

Labour urges curb on 'board excess'

By David Owen

Labour yesterday outlined proposals for clamping down on what it says is excessive executive salary increases. It claimed that all 12 regional electricity company chairmen had made £1m out of privati-

Mr Gordon Brown, shadow chancellor, said the government was "vulnerable to defeat ... over the issue of boardroom excesses" during debate on the finance bill. He called for the following

proposals to be adopted: Executive share options should be taxed as income. New powers should be

given to regulators enabling them to cut prices where there are "boardroom excesses". More information should be provided in company accounts

on "pay perks and handouts" to top directors. Remuneration committees should be opened up to make them "more representative".

Mr Brown said the proposals would force ministers to "come off the fence on the scandal of salary excesses in the privatised boardrooms". His attack came as Labour released figures indicating that 63 electricity company directors held share options entitling them to notional profits of an average of nearly £500,000.

'Late thrust' by shoppers dispels sluggish mood

By Our Regional Staff

Shoppers have been out on the high streets and in the retail centres with growing enthusiasm over the last two weeks, in contrast to predictions of gloomy Christmas trading.

The pattern has varied but the evidence points to what Mr George McDonald, manager of Eldon Square in Newcastle, called "a late thrust". Yesterday afternoon he said that the number of shoppers was rising: "It's stronger at this point than in the last two or three days and it's still building."

In London Mr David Elliott, merchandise director at Selfridges department store, said: "We have had a brilliant Thursday and a brilliant week." At Brent Cross in north London, Mrs Mary Cullen, the marketing manager. said: "We would normally see around 250,000 people a week but this week there have been

300,000 to 400,000." Transax, which provides a cheque guarantee service to 48,000 UK retailers, has noted the build-up. In the four weeks to last weekend, the value of cheques it guaranteed was 2.8 per cent higher than in 1998, this week the value has been growing at 3 per cent a day.

Steady increases in business have been particularly marked at the newer regional shopping centres. At Meadowhall in Sheffield the number of visitors rose 14.7 per cent between mid-September and mid-December, while last Saturday

was a record day. The number of visitors at Merry Hill in the west

Midlands during the Christmas trading period has been 5 per cent higher than in 1993 and they have spent 14 per cent more. At MetroCentre, Gateshead, there has been a 15 per cent rise in the number of visitors. Mr Ron Woodman, MetroCentre marketing manager, said: "We have bucked the trend."

Smaller centres also claimed to have bucked the sluggish trade trend. "We have found it an exceptional Christmas with most retailers trading up to 30 per cent better than last year," said Mr Colin Antrobus, manager of the Regent Arcade in Cheltenham. People were waiting two hours to see

Father Christmas. In Manchester, city centre trading has been less dramatic. At the Arndale centre there have been 8 per cent more shoppers than last year but retailers are cautious about whether turnover is level or a little higher than

last year. Sunday trading provided cheering news. "There has definitely been more business, not a thinner spread of what was there already," said Ms Jackie Prosser, marketing

manager at the Arndale. "Sunday trading has been brilliant for us. There's never been a bad weekend," said Ms Lesley March, marketing manager at Merry Hill. She said Sunday trading now accounted for 16 per cent of turnover.

Reporting by Paul Cheeseright, Roland Adburgham, Neil Buckley, Stewart Dalby, Ian Hamilton Fazey and Chris





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On earth, peace?

English-speaking Christians have for centuries proclaimed "on earth peace, good will toward men" at this season, following the Authorised Version of the Bible. The words attributed by St Luke to the heavenly host outside Bethlehem. however, are more exactly rendered as "on earth peace among men of good will". This is quite an important distinction. The passage in its original form gives no warrant for pure pacifism. It implicitly recognises that there are also men of ill will, who pose a threat to peace and should not expect to

benefit from it. It is a perennial dilemma, and not only for Christians. The value of peace has always to be weighed against the danger of rewarding aggression, consecrating injustice, and thereby encouraging men of ill will to persist in the threat and use of force. The definition of "men of good will" is inevitably subjective. In many cases peace can only be made by accepting professions of good will from those who hitherto have given and received ill will in abundant measure; and by allowing them to keep what seem thoroughly ill-gotten gains.

Topical examples abound. Black South Africans have had to accept leaders of the National party, which devised and implemented apartheid, as men of good will; and to accept, as part of the price of peace, the perpetuation of gross disparities in average wealth between white and black. Palestinians are being told, without any assurance that they will get a state of their own, that the path to peace lies through acceptance of the permanent loss of many of their homes, and the greater part of their country.

Israelis are asked to accept that peace involves giving power to a man whose whole career was built on violence against them and denial of their state's right to exist; while law-abiding people in Northern Ireland are told that peace requires concessions to people who have sought them through terror and violence in preference to the ballot box.

Public opinion

In these cases, world public opinion applauds those who put peace before justice, and condemns those who believe the price they are asked to pay for peace is too high. Yet few argue that Britain would have been right to make peace with Hitler in 1940; realism and modesty was and most people still recoil at the suggestion that Bosnia should accept a peace based on the simple ratification of Serb conquests.

in all such discussions, the that goes with wealth and power, claims of equity have to be weighed against those of realism. No one nowadays argues (as in

the past many did) that war is good and healthy in itself. All agree that it is at best a necessary evil, and therefore those who argue for it in some circumstances have to demonstrate that the net result of pursuing it will be less

bad than the alternative.

The Catholic doctrine of the just war, which requires among other things a reasonable prospect of victory, is not as Machiavellian as it sounds; or rather, it shows that Machiavelli is not as unethical as he is often painted. Ethics does not forbid political leaders to weigh carefully the practical consequences of their decisions. On the contrary, it requires them to do so, most of all when faced with a choice between war and peace.

Complex conflicts

In the early 1990s, the end of the cold war and the reversal of Iraq's aggression against Kuwait gave rise to hopes that justice could henceforth be effectively upheld by international action, and that I realism would no longer dictate the acceptance of flagrant injustice as the price of peace. But since then, attention has focused on more complex conflicts, where citizens of the same state are ranged on opposite sides, so that consensus is not easily reached among outsiders about the precise balance of right and wrong, or about the degree of external aggression, if any, International intervention in these conflicts has been confused, half-hearted and agonisingly slow, especially in contrast to the decisive and spectacular action against Iraq.

In Somalia and Bosnia, "humanitarian" intervention may only have served to prolong conflict. In Rwanda, intervention came too late to prevent the massacre of up to a million people. The result is distillusionment and a return to passivity. Not only is Russian brutality in the Caucasus considered beyond the reach of western influence. In Algeria, on the doorstep of western Europe, a civil war is now claiming 700 lives a week, yet is virtually ignored by the outside world. The UN Security Council has not even discussed the matter. Peace has become divisible. After briefly glimpsing a new

world order, the victors of the cold war have resigned themselves to tolerating anarchy in large areas of the globe, so long as their own material interests are not directly threatened. No doubt a dose of required, after the euphoria of early 1991. But between euphoria and abdication there is, or should be, a sense of the responsibility and of the longer-term risks involved in letting men of ill will have their way.

You are transported by calamity Thither where more attends you -William Shakespeare, Coriolomes.

t is a banal conclusion to draw after four years in the former Soviet Union, but it is worth remembering - that so much, here, is not what it seems. The rational expectations of the western mind smash against contemporary Byzantinism - a brew of secrecy, bureaucratic inertia and a love of dissimulation.

Russia and the other former Soviet republics preserve, in living form, traces of previous ages which the less subtle and happier states of the west have suppressed and mummified. The layers of Russian political society - the liberals, the modernisers, the communists, the nationalists, the Slavophiles and the imperialists - remain. They find expression still in the labyrinths of the bureaucracies, in the media, in the government and regional leaderships and apparatuses, and most influentially in the network of competing aides, advisers and guardians of Boris Yeltsin.

I moved to Russia at the low point of Mikhail Gorbachev's efforts to modernise the Soviet Union - as commandos killed demonstrators in Lithuania and Latvia, the least assimilated of the former Soviet states. I cease to be correspondent as a more brutal assault is launched against Chechnya, territory of a people who have kept warm their wrath against Russia for over a century and who - it can be judged will not let it cool again soon.

Phus ca change ...? On the contrary. Everything is changing, as the death throes of the greatest social engineering project in history Soviet communism - convulse the political body, and the order that will replace it refuses to take choste shape.

The Financial Times has been part of a western liberal consensus on the break-up of the Soviet Union: it was enthusiastic for the disintegrative process. The new elites of the post Soviet states appeared to want a liberal order: Mikhail Gorbachev was unable to provide it, caught as he was in the contradictions of his chaotic programme – a "market" which could not be based on private property and a "democracy" which would always choose socialism. Gorbachev's manoeuvres were seen as the tactics of a fatally constrained man with a vision of himself as a guardian of progress, endowing the Soviet people with elements of western liberalism while restraining them within the bounds of an empire they had not chosen and an economy in which they could not be free actors.

This view, widely held abroad and by the post-Soviet democrats, was (I still believe) correct - but it did not. perhaps could not, comprehend the consequences of the fall of the communist system. Those of us whose tour as reporters spanned the end of the Soviet Union and the beginning of the post-Soviet states saw the latter as struggling to be free from the coils of the former. Our natural inclination, as westerners whose mindsets were formed in a postwar world where material standards were constantly rising, was to be optimistic - to assume that the remnants of tyranny would be succeeded by the sturdy shoots of inde-

I had seen something which could plausibly be described in that way in three years of reporting in central and eastern Europe. The belief was - it was not subjected to much analysis - that the Soviet system had been a prison of belief, of nations, of free thought and associa-

John Lloyd reviews the changes that have followed the death of Soviet communism, during his four-year posting in Moscow

Convulsions of the body politic

prisoners had in most cases known nothing else but prison life. Like old trusties, many liked it, or at least found it impossible to adapt to the loss of confinement.

Generalisations should always be qualified. The Baltic states are different societies from the Central Asians: Moldova has little in common with Azerbaijan. In attempting to rediscover, or fabricate, their own traditions, the new states plunder the traditions of Islam. Orthodoxy, Lutheranism and Catholicism: tribalism, autocracy and democracy; mercantilism, corporatism and neo-liberalism. The Pone visits Vilnius to give a

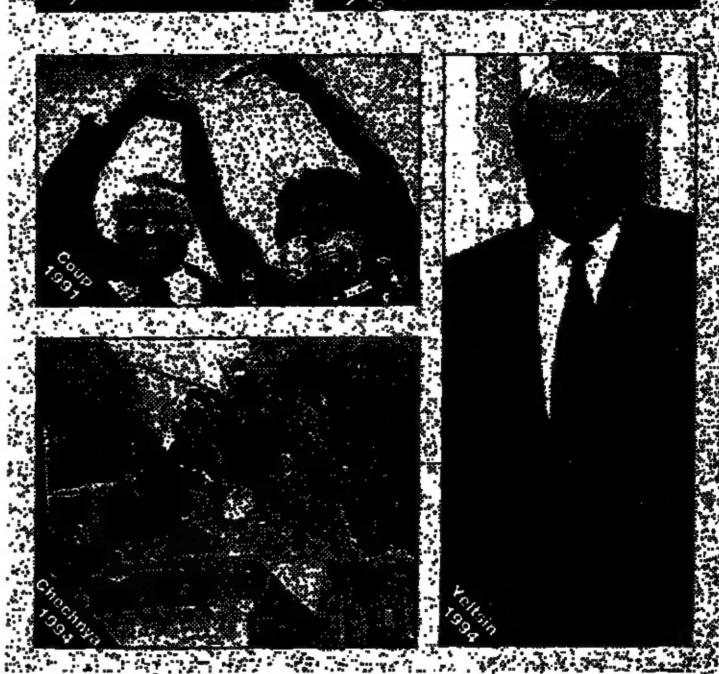
liberated flock a sense of belonging to the Catholic family: Professor Jeffrey Sachs seeks to ingrain liberal economics in the mindsets of the post-Soviet reformers in Russia and Ukraine: Mr Lee Kuan Yu calls on the President of Kazakhstan and proposes an authoritarian capitalism. In a late 20th century world. the educated elites can travel to and observe a political supermarket of social and political developments to which they may aspire, but cannot attain. The 15 states which made up the union now have in common a past: but their capacity to deal with it varies hugely.

Much of my time was spent reporting "reform". The reformers in Russia were men and women who had largely been in the middling ranks of the professional intelligentsia and who were suddenly given vast power. Their vision. especially their economic vision of a liheral market economy, was given the imprimatur of the Russian president even before the union collapsed, because it appeared to be the only one available. It was the theoretical opposite of communism: it fitted with the internationalisation of capital which is the dominant theme of our times, it was promoted by men of brilliance, such as Yegor Gaidar, Anatoly Chubais and Boris Fyodorov.

Reform in Russia is not dead. The liberations promoted by these men. and their associates have entered the bloodstream and are dynamising its society. Their inherent belief that freedom depends on independent economic actors - is being sorely tested and lacks the support it enjoyed from a now alling and isolated president. But ranged against it there are only the (powerful, to be sure) remnants of now dysfunctional faiths and reflexes. capable of disruption but without the cohesive and ruthless philosophy-in-action of communism.

Like other foreign media, the Financial Times reports on the 15 states of the former Soviet Union from Moscow - though with the advantage of colleagues in Ukraine, in Central Asia and in the Caucasus. The experience of travelling (on the fearful Aerofiot and its still more fearful scores of successor





companies) has been one of sharing in small measure the disorienting experience for Russians of seeing a centralised empire dislocate as new leaderships attempt to make states of what had been satrapies. In each there was an initial burst of energy and support for the new leaders in many cases, especially in Central Asia, the old leaders hastily repainted themselves in nationalist. even sometimes in religious, guise. In each, as time wore on, there has been a closing of the political space: a hasty re-buttressing of power and privilege, an appalled realisation of the malignity of the Soviet legacy and the frailty of the tools of their

"independence". But the passage of time also

revealed the vast differences in cultures which had been smothered by Sovietism. Its collapse faced societies with the often purgatorial task of defining in what their statehood might consist. It was not a surprise to see Estonia take off smartly in a Scandinavian direction. It has been more surprising to see little Kyrgyzstan struggle to embed an unfamiliar democracy in its impoverished

Ukraine, in which the FT has had a correspondent since 1991 and to which it has rightly devoted much space, suffers from travails less dramatic than Russia's but in some ways more wrenching. Its bestknown split is between the "nationalist" west and the "unionist" east.

people even more cruelly devastated this century than their neighbours, the Poles - are also torn between belief in national developis to be given a solid base distinct from Russia, whose reflex is still to view such efforts with derision.

It, and all other post Soviet nations, have played a large part in the suddenly revived debate on nations and nationalism - a disci pline which may fill something of the yawning gap left by the sudden disappearance of Sovietology.

A unionist Scot myself, I disliked

kitsch-ridden and coercive: the past four years have produced substantial modifications in that view. For it became clear that the Soviet Union, the last great, perverted Emilghtenment fantasy of internationalism, could not and cannot be used as a basis for either moderni sation or democratisation. The successor states have nothing else on which to base their search for both (if search they will) but nation statebood - even if that is the artificial construct of a system which never meant them to be nations in the first or last place. They are thus doomed to find statehood under terrible conditions.

Grozny, the capital of Chechnya where, as this is written, colleagues are still reporting from under the now-constant bombing raids, in a courageous display of what our trade can do at its best: producing the evidence of the effects of power. It was a terrible trip - not for the discomfort and the fear, but for the hellish vision it presented. The Chechens, most ferocious of the Caucasian tribes who pinned down Tsarist armies for the middle decades of the last century, are led and inspired by men who see no immorality in subjecting them to the most hopeless odds - indeed, who glorify it as the will of Allah. as much a prophet of peace as the one whose birthday is celebrated tomor-

The Russians, by turns doubtful and brutal, are driving towards what the liberals here in the capital see as a fatal collision with the frail gains of the past three years. Right now, it is hard to shrug off their pessimism. The president has all but disappeared, his least savoury aides wield most power, the parliament's purchase is meagre, the military and the secret services act largely independently - and, more dangerously, in mutual distrust.

Pushed to defend national integrity by the screeching of the nationalists. Russia has shed blood in a land whose culture demands that the stain be exercised, and whose young men will see honour in revenge. The Caucasian circle comprehends more than this theatre of war. Abkhazia and Nagorno Karabakh have both been (uncounted) killing grounds and may be again. This is not yet the scale of the Bosnian barbarisms, but it begins to court comparison.

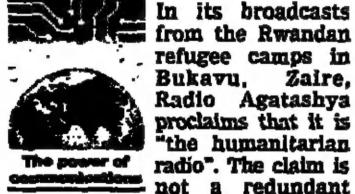
No happy ending. Civil society, the prize promised to those who survived communism, yet remains out of the reach of most: the ending of the old order accomplished much more readily than the attainment of

Chrystia Freeland will succeed John Lloyd as Moscow bureau chief in January. Lloyd will continue to write for the FT, while working on

FINANCIAL TIMES

United across the airwaves

Leslie Crawford on the hope given to Rwandan refugees by a radio station



Bukavu. Radio Agatashya "the humanitarian radio". The claim is not a redundant

one, in a community that knows only too well the horrors that can be initiated by radio. For most of last summer, the

river which marks the border between Rwanda and Zaire on the southern tip of Lake Kivu was stained with blood. The rickety wooden bridge at the frontier was blocked to Tutsis attempting to flee the massacres inside Rwanda. On the Zairean bank, the residents of Bukavu watched a killing frenzy unfold just metres from where they stood.

One private radio station - Radio Television Libre des Mille Collines - whipped up the mass hysteria responsible for the extermination of more than 500,000 Tutsis. The mouthpiece of Hutu extremists, it urged Hutus to "take your spears, clubs, guns, swords, stones, everything. Sharpen them, hack them, those enemies, those cockroaches..." Even educated Hutus believed the blood-curdling scenarie of sheked salociales committed by Tutsi rebels as they swept

the country. "Hunt out the Tutsi," the radio commanded. "Who will fill up the half-empty graves? There is no way the rebeis should find alive any of

the people they claim as their own." Even after the Tutsi-led Rwandan Patriotic Front drove the Hutu regime out of Rwanda, Radio Mille Collines continued to broadcast

from mobile stations inside Zaire. The Hutu extremists and their militias now rule over the teeming. cholera-ridden refugee camps in Zatre, Tanzania and Burundi, Under pressure from UN peacekeepers. however, Radio Mille Collines was dismantled in August.

In the same month, a team of Swiss journalists from the Lausanne-based Reporters sans Frontières launched Radio Agatashya in the refugee camps in Bukavu. They were determined to restore the refugees' faith in impartial information.

The station's maiden transmission, on the morning of August 4. came from a makeshift studio inside a container near the grounds of Bukavu's Jesuit school Agatashya means "the swallow of hope" in Kinyarwanda, the language chosen for the radio's broadcasts because only one in 10 refugees understands

With time, programmes have been added in French, Kiswahili and English Seven Rwandan journalists - all active in human rights organisa-

tions during the been recruited to the reporting team. For the Swiss journalists, the most important

task has been that of guaranteeing the station's political impartiality and independence. They carefully screen every programme before it goes on air for possible signs of

Establishing the radio's credibility with a community haunted by genocide and saturated with hate propaganda has not been easy. In Rwanda, radio has been the tool of one side or another. It has not been

neutral. "It has been difficult to win acceptance by both sides of the Rwandan conflict," says Mr Philippe Dahinden, the radio's project co-ordinator. "If we had based ourselves inside Rwanda, we would have been automatically branded as pro-Tutsi. So we chose Bukavu, to reassure the 340,000 refugees here that this radio

is meant for them." Locating in Bukavu has generated other problems. Agatashya's

journalists were threatened by Hutu extremists for reporting on the acrimonious departure of Medechis sans Frontières from Bukavu's refugee camps last month. The medical charity, shocked at the killings of refugees wanting to return to Rwanda, pulled out of Bukavu, arguing that it had become "ethically impossible for MSF to con-

tinue aiding and abetting the perpetrators of the Rwandan genocide". But the threats against the radio station were only that. Mr Dahinden believes Hutu leaders have refrained from harming Radio Agatashya or its reporters because it is virtually the only source of independent information available to them. "Everyone listens to Radio Agatashya. We are recognised instantly

in the camps.

Even if there are We interview those few radios among three Zaireans who have returned to such a huge refuthe villages, and say what the security passed on by situation is like

word of mouth. And because we transmit in Kinyarwanda, there is less risk of manipulation, because people are not dependent on someone transla-

ting from French or English." The radio is also heard in southwestern Rwanda and, with the expected arrival of transmitters. will soon penetrate deeper into Rwanda and reach the refugees in Goma, on the northern shores of Lake Kivu.

time is devoted to the provision of aid, for another year. public information services. Lists of children in the care of the International Committee of the Red Cross are read out regularly, helping many families to reunite. Parents also put out search appeals for

missing children or lost relatives. There are programmes on how to prevent cholera and dysentery which killed tens of thousands when the refugees first flooded across the border - and on how to

ded camps. There are also health programmes for pregnant women, on the care of infants, and on the dangers of Aids and other sexually transmitted diseases.

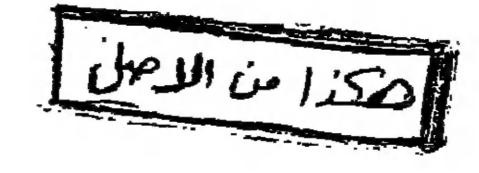
But it is the twice-daily news bulletins that pull in the listeners. The refugees still do not trust Radio Rwanda - controlled by the new government in Kigali - while Radio Zaire has little relevance to their lives. Radio Agatashya, which has reporters working in Rwanda as well as Zaire, is the only station capable of breaking the terrible isolation that engulfs them.

"The refugees are desperate to know what is happening in Rwanda," says Mr Dunia Hategekimanam, the Rwandan co-ordinator of Agatashya's bureau in Kigali. and interview those who have returned; and say what state the crops are in, and what the security situation is like in different dis-

So far, Radio Agatashya has refrained from broadcasting appeals for the refugees to return home. Rwanda has yet to restore its judicial system and a civilian police force. Amid verifiable reports of arrests and summary executions conducted by former Tutsi guerrillas, now known as the Rwandan Patriotic Army, the Agatashya team balieves it may be too early to disband the refugee camps. As a result Radio Agatashya, which began life as a six-month project, has been Much of Radio Agatashya's air- extended, with Swiss government

"National reconciliation will be difficult and it will take time," Mr Dahinden says. "The criminals have still not been separated from the ordinary Hutu refugees. But there are men and women of good faith who are striving to overcome the fear between both communities. As journalists, the best we can hope to achieve is to restore their faith in accurate and non-partisan information."





OF LEWIS DE

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W. N. SERRY

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Salaria Springer

nce more, Christmas has

been heralded by the

sound of UK retailers

complaining of disap-

minting sales. The main cause of

desupointment this year is cyclical-

consumers are not spending as

much as they normally do at this

stage of economic recovery. But the

cry is a familiar one: it seems that

Aristmas is often a disappointment

This is strange, because a study

of UK consumption data shows the

Christmas season is normally any-

thing but a retail disappointment.

in 1993, for example, seasonal fac-

tors contributed an extra £5hn to

fourth-quarter consumption, com-

nared to the third-quarter level.

Given that consumption as a whole

rose by just £8hn in 1998, it becomes

obvious why retailers have high

tions in consumption gives a fasci-

nating insight into the Christmas

habits of the UK. We may all think

we over-indulge enormously at the

end of year. But food consumption

rises by only about 2.75 per

cent in the fourth quarter of the

We certainly drink and smoke a

lot more as a nation at Christmas -

the seasonal effect generates an

tobacco expenditure. The combina-

tion of cold weather and new winter

fashions leads to a substantial

increase in expenditure on clothing

and footwear, with fourth-

n Tokyo this December.

the Christmas trees are

out in force, tinny carols

are rattling from loud-

speakers and thousands of

shops are filled with seasonal

merchandise. But there is a

more than usually hollow ring about the festivities. Money no

longer flows so freely in Japan

and, without it, people are

starting to wonder what

In a country where less than

2 per cent of the population

professes any Christian belief.

the celebration was always a

copy. The Japanese took

Christmas to their hearts not

because they wanted to understand what the event was sup-

posed to commemorate. What

mattered was that Americans

and Europeans were enthusias-

tic about it. This was enough

to show that it must have some

value. And so the Japanese set

about giving themselves a big-

ger and incomparably better

Christmas than the authentic

ones in the west. In Japan, bet-

ter meant more expensive, and

what developed was the brassi-

might bemoan the passing of

the true Christmas - of carols,

midnight mass, and perhaps

even spiritual reflection - but

in Japan, there never was any-

thing but a commercial, tin-

selled affair. The story of the

Tokyo department store that sold images of a crucified

Father Christmas might be

apocryphal, but there is little

doubt that, to most Japanese,

Christmas was never more

than an ingenious marketing

device: a new way of persuad-

ing the financially incontinent

The traditional Japanese

Christmas (circa 1989) was a

dream for the marketing peo-

ple that focused heavily on the

younger generation. Christmas

was sold as "the most romantic

time of the year" and an occa-

sion to cement those special

relationships the material way.

nies were generous with their

winter bonuses, and a really

good Christmas Eve meant

spending around Y100.000

(£645) - more than a third of a

month's salary - taking that

special someone to a dinner

show, exchanging presents and

spending a night at an

upmarket international hotel.

Tokyo's Tiffany stores were

crowded with teenagers and

young salarymen in their blue

suits shoving people aside to

buy trinkets for their girl-

friends. Christmas fever was

such that to avoid being left

without a hotel reservation for

next year's Christmas Eve, the

meticulous trend manuals even

in the bubble years compa-

to part with their money.

Traditionalists in the west

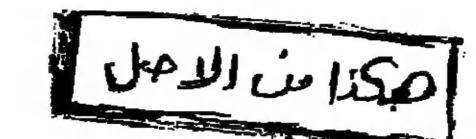
est Yuletide in the world.

Christmas is really about.

Examining these seasonal fluctua-

expectations for Christmas.

for the retail trade.



Hark, the herald cash tills ring...

Andrew Scott explains how Christmas has changed - though not to the disadvantage of retailers

quarter consumption 23 per cent higher.

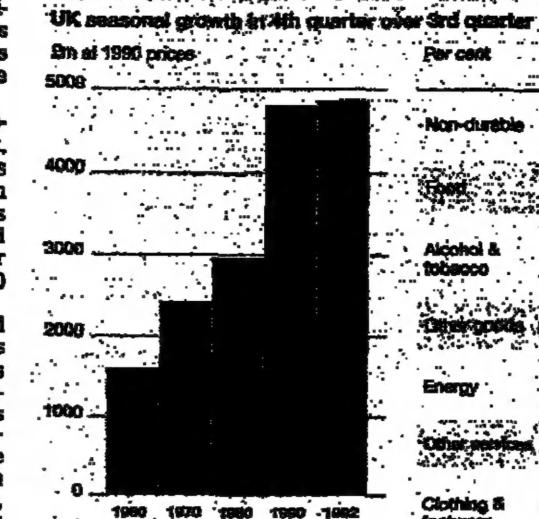
The data also reveal that the additional spending at Christmas has been steadily rising over the years and is now at its highest since records began.

The seasonal boost to consumption of non-durables - food, drink clothing, energy and the like - has risen from £1.6bn in 1960 to £4.8bn in 1990. Between 1960 and 1993 this increased Christmas effect boosted consumption by more than 257 per head of the population (in 1990 prices). The table shows which goods and

services are most affected by this increased Christmas effect. It shows the percentage growth in fourthquarter consumption which is entirely due to seasonal factors and how this have changed over the years. Most notable is the surge in Christmas spending on drink, tobacco and "other goods" such as sports equipment, toys, books, toi letries and jewellery.

If the Christmas seasonal effect has increased over the years, what has caused this change? Economic commentators invariably explain changes in consumption by reference either to changes in household income or interest rates.

Christmas seasonal effects



explain why Christmas consumption is becoming more important. The variation in household income between seasons is not large - and

has been getting smaller. There is a seasonal pattern in

However, neither of these can interest rates; bank base rates tend to be highest in the last two quarters of the year. However, there is no evidence that this seasonal pattern has altered over the years, so it cannot explain the growth in con-

sumption at Christmas.

Similarly, the weather offers little explanation of what is going on. While the weather clearly influences how much we spend, it does not explain the growth in Christmas spending.

must look if we are to explain these seasonal consumption changes. We tend to think of Christmas traditions as fixed and unalterable, but in practice the English Christmas

has changed considerably. The social historian John Pimlott has investigated the changing features of the English Christmas in his fascinating book The Englishman's Christmas (Harvester Press, 1978). Far from finding that Christmas present is the same as Christmas past, he concludes that "it is part of the tradition that Christmas is never as it used to be".

These changes can be seen by looking at consumption of particular commodities. In 1955, for instance, more chicken was eaten than turkey at Christmas. By 1977, more chicken was eaten in a normal week of the year than at Christmas. At the level of total aggregate consumption, the changes in the

English Christmas have been marked over the longer term. In the 17th century, Christmas was banned by the Puritans in 1647 and revived in 1660 (though the legalisation of festivities only partly restored its former glories).

The publication of A Christmas Carol by Charles Dickens in 1843 It is to social customs that we gave a new boost to the festivities.

It was in the 1840s that so much of current Christmas tradition was established - trees, crackers, cards and so on.

For the retailing industry, however, the most important change in social customs happened in the 1870s. Previously, presents had been given mainly to children and mostly at New Year. But it began to be the practice to give them at Christmas and to adults as well - to the benefit of almost the whole range of the retailing business and industry. From that time on, the commercial and social importance of Christmas continued to increase, a process which the data suggest is still occurring.

this upward trend in Christmas spending continue? Studying historical trends in consumption seasonality, there is considerable evidence that while seasonality changes only very slowly, when it does change it changes permanently. In other words, once new social customs are established, they remain in force. This suggests that the enhanced

importance of Christmas to the retailer is likely to remain, long after any temporary disappointment over this year's sales has disap-

The author is a fellow of All Souls. Oxford, and is affiliated to the Centre for Economic Performance at the London School of Economics

The search for a meaning

Gerard Baker and Emiko Terazono on yuletide celebrations in Japan



advised men to wake up early the next day to book a

But that was in the time of unbridled confidence about Japan's economic prospects the days of rapid growth rates and an explosion in wealth.

The ending of the bubble economy, and the four sluggish years through which Japan's economy has since toiled, have made conspicuous consumption irredeemably outmoded among the fashion conscious. Extravagant spending on Christmas Eve is now sneered at as baburee, or a typical "bubble phenomenon", the

most crushing of put-downs. "Eating at expensive restaurants and hotels wasn't part of my real world," says Mr Nobuhiro Hirasawa, an office worker who says he spent Y45,000 last year wining and

dining on Christmas Eve. "I want to enjoy Christmas without spending so much money."

But there is the nub. What.

to a nation that can't tell a crib

from a crucifix, is meant by

"enjoying Christmas"? The materialist credentials are still impeccable. One thing the new spirit of Christmas means is value for money.

he Hot Dog Press, a fashion weekly for young men, has cut its special Christmas pages, once over 60 at the peak. down to 10. "Telling people to spend lots of money at Christmas doesn't necessary sell the magazine any more," says Mr Morlhiko Katabuchi, an editor. instead of the Y50,000 Tiffany pendant or the Y100,000 Cartier ring, Hot Dog suggests its readers buy girlfriends a cafe au lait mug for Y1,400 or a pair of

The economic changes have also brought about new tastes among consumers. The search for value rather than brand names has given rise to new types of shops. Discounters, superstores and warehousestyle stores selling one category of goods at knockdown prices are becoming mainstream, hurting the sales of traditional retailers, the department store and the cor-

photo frames for YL600.

ner stores. But the end of the targe to splurge has done more than prompt a search for value. It has seen the Japanese looking for alternative means of renewal this Christmas. Many are rediscovering their families. In the past, New Year's celebrations have been Japan's main year-end family event, with mountains of good luck foods, such as rice cakes, herring roe and seaweed, washed down with sake. But in the past few years spending time with family and close friends on Christmas Eve has become

Since Christmas is not a holiday, "the fall in overtime working hours due to the recession has also helped in getting the family together", says Ajinomoto, the largest food and beverages company. That means well, it means shopping, of course for cheap imported chicken and bargain French sparkling wines.

So, it has become a cheap Christmas certainly, and maybe even a family Christmas. But that comes no closer to answering the question, "Why bother?" In the most material of a materialist world. what is a 'Christmas' without the money? There is no sign of any religious awakening - the same small groups of the faithful will turn up at the midnight masses at the Christian churches dotted around town. Some will even take to the streets to hand out food and a few comforting words of the Christmas spirit to Tokyo's growing homeless population.

But the vast majority of the population will spend the holiday focused even less on its significance than before - perhaps they are closer to emulating the west that way than they were in the past.

One world-weary salaryman provides a hint that perhaps the Japanese have, after years of trying, discovered the real essence of a western-style Christmas. "I spent about Y30,000 on Christmas Eve last year, including Y10,000 on a bottle of champagne," says Mr Chikara Kondo. "But this year I'm staying home and watch-



Measure for measure

ritish Eurosceptics who sought refuge from Brussels legislation over a gin and tonic or a glass of wine will from the new year have to seek alternative solace.

On January 1 measures that date back to 1990 will finally become law and a new metric quantity, 25ml or multiples, will become the norm for dispensing gin, rum, vodka and whisky instead of the quarter, fifth or sixth of a gill (a gill is a quarter of

a pint). This much is straightforward. But when Brussels turns its attention to the dispensing of wine by the glass - an increasingly popular way of drinking good wine tomers may feel not only confused but that their individuality is being

encreached upon. The same legislation will now dictate that wine by the glass can be served only in quantities of 125ml or 175ml, or multiples. More significantly, it specifies how these can be dispensed. In future, a restaurant or bar, no matter how smart, can serve a glass of wine, no matter how cheap or expensive, only into a lined glass, stamped by a government-approved body, or into a free-standing, governmentapproved measure known as an "optic" that is then emptied into the restaurant's

own glass. The restaurant industry is upset for

First, it has accommodated customers' orders for less but better wine over the past five years - demands induced by the recession, health concern, tougher drinkdriving laws and wider appreciation of fine wine. Many restaurants now offer far more than just house wine by the glass and in glassware superior to the formerly ubiquitous spherical Paris goblet.

Such gentility is now at an end. The Upstairs Bar at The Savoy will henceforth be dispensing glasses of chablis premier cru and Cloudy Bay sanvignon blanc at £6 each into the Savoy's own glasses conspicuously marked with a government line and stamp on the side.

Second, restaurateurs feel their

A new law on serving wine by the glass is about to come into force in the UK, says **Nicholas Lander**

attempts to discuss the legislation have met with an unenthusiastic response. Mr John Davy, who controls 50 wine bars around the City and sells 50,000 cases of wine a year, describes the legislation as "ridiculous".

"It's like trying to control the quantity of smoked salmon served on a plate in The Ritz. The legislation has nothing to do with quality - the overriding factor in the wine we buy and serve - and everything to do with quantity. In fact the new laws will hurt our customers, as until

> 'It's like trying to control the quantity of smoked salmon served on a plate in The Ritz'

now my staff have been free-pouring 130ml of good wine for a small glass and 180ml into a large glass."

When it became obvious that this legislation would become law in August 1994. Mr Davy made various attempts to incorporate his company's etched logo on to the glass with the required line as the bottom of the logo. This, he felt, would at least detract from the ugliness of the lined glass. All aesthetic suggestions. however, have been rejected and Mr Davy has to buy an extra 1,000 dozen stamped wine glasses, with the stamping costing an extra 20p per glass.

The Department of Trade and Industry. which will be supervising this legislation. says it is intended "to bring us into line with the rest of Europe". This does not seem to be borne out by the situation in Paris, where one leading restaurateur who has been serving exciting wines by the glass for the past 15 years reports that French law dictates only that the quantity of wine served by the glass be clearly stipulated. He serves 110ml of wine in a glass in one of his restaurants, 120ml in another and 80ml of sherry in both.

But UK law enforcers have little faith in French measures, it appears. On a recent visit to Paris, one leading London chef restaurateur, in anticipation of these new measures, went to Verrerie des Halles, the specialist supplier of glassware to French bars, restaurants and cafés, and bought a 25ml optic for his bar. This his staff nov uses. But when he phoned the DTI to establish whether this would be acceptable after January 1, he was told he would have to have the optic checked. approved and stamped by his local standards officer. Reciprocity of liquid measures, the DTI added, would not be possi-

ble for at least two years. The DTI's defensiveness may have something to do with an imprecise knowledge of the world of wine. The new legislation will cover only table wines. Champagne, port and sherry are excluded, as are digestifs such as brandy and armagnac which can be free-poured.

When I asked a DTI spokeswoman about Santernes, the sweet wine of Bordeaux, she said that this was a digestif and so could be free-poured. When I pointed out that Sauternes is a sweet table wine, she replied that therefore it had to be served in measures of 125ml or 175ml. This is a bad precedent. Such a drink coming at the end of a meal should be sipped and served in measures no larger than 90ml or 100ml

Any visit to a restaurant from January 1 could now involve the following: an aperitif served from a 25ml optic, a glass of wine poured into a lined, stamped glass and a digestif free-poured from the

As one restaurateur comments: "It's confusing enough to turn anyone to

Status quo on taxes is not perfect but it's the best we have

From Ms Margaret Wilkinson. Sir. Samuel Brittan (Economic Viewpoint, December 15) quotes my conclusion to Paying for Public Spending: is there a Role for Earmarked Taxes? (Fiscal Studies. November 1994), which rejects largescale earmarking in favour of ing. the current practice of spending from general revenues, and comments: "It is precisely this unrealistic demand for omniscience by governments which convinces some of us that there must be a better way."

However, I did not "demand omniscience". My support for the status quo was not unqualified. In particular, I wrote "scepticism that earmarking would not greatly promote democracy is not a rejection of the public choice black box' criticism of the traditional approach". I do not think that it is perfect, but it is the best

We have. The political right wants earmarking to lead to opting out | Margaret Wilkinson. and privatisation. However, University of Bradford,

right, a leader of the public choice school and critic of big government), in a seminal paper on earmarked taxes. drew attention to the variety of practical and cost problems which made him very tentative about recommending earmark-

in particular, he noted that if decision-making costs were included in the segregated revenues model this might make it "inefficient" relative to consolidated revenue schemes'. He also pointed out that services that benefited sub-groups in the community (eg education, health services) would suffer from earmarking.

I think that the right, which expects that earmarking would lead to spending cuts and opting out, is more likely to be correct than those, like the Liberal Democrats, who think that it would get people to pay taxes more willingly.

From Mr Lyndon Harrison Sir, I write to congratulate Christopher Dunkley on his excellent and perceptive article

regarding MTV (Television: "For dedicated followers of fashion", December 21). I have two qualifications: First, MTV does occasionally pop music. It chose to feature one set of elections this year.

James Buchanan (guru of the | West Yorkshire BD7 1DP

Right product for TV target which embodies the idea of young Europe integrating, it was the June elections to the European parliament.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SEI 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Second, Dunkley cites Kylie Minogue's pop video Confide in Me as indistinguishable from the adverts it carries. That is as may be. But I have been using this particular example step out of the seamless robe of | in hip speeches which I give to astonished youth audiences, as an example of a new product Predictably, for a channel | tailored for a Single European | Chester CH1 4JW

Market. Its use of five screened European languages to evince common teenage sentiments implies a common European youth culture. It is a pity that it is a petite Oz who leads the way in teaching us the fundamentals of business: first know your market then fashion your product appropriately. Lyndon Harrison,

Kiss goodbye to the Christmas holly, too

From Mr Oliver Chastney. amusing article (Farmer's the rise and fall of the mistletoe futures market, I suggest it may spark off frantic scenes at | if Mr Richardson could Tenbury Auction during the | enlighten me on any EU rules | Oliver Chastney. run-up to next Christmas - | regarding the possibility of | 53 Keswick Road, Cringleford.

urgently into their mobiles and [This is the second year in a Sir. Reflecting on David giving knowing winks towards row it has failed to produce Richardson's informative and | the gavel as another couple of | single berry. I am seriously pounds of the precious twigs Viewpoint, December 20) on | and berries pass over the trad- | for that part of the garden. ing floor.

Aside from all that, I wonder | had to buy the stuff. international traders talking grubbing up my holly bush. Norwich, Norfolk

Watergate Building. Crane Wharf.

French, I suspect!

considering a set aside policy

This Christmas we have again

No plan for lottery tax

From Mr Chris Smith MP. Sir. I am writing to put the record straight. Your story, "Labour looks at 'windfall' tax on lottery group" (December 22), alleging that Labour wants to tax Camelot's proceeds from the lottery, is incorrect. At present. Camelot is spending large sums of money establishing the complex infrastructure for the lottery, advertising it, and preparing further games to come into play next year.

The income stream from ticket purchase has its ups and downs, and it will be impossible to determine the balance of income, cost and profit with certainty for months to come. Any discussion of Camelot's share of the proceeds is therefore wildly premature.

Chris Smith, shadow heritage secretary, House of Commons. London SWIA QAA

Shareholder power lost

From Mr Philip Owen. Sir. Mr Edward Leigh MP (Letters, December 16) makes a strong point about the need to empower shareholders to control executive salaries. He also makes a point of great significance concerning the powerlessness of investors to have any influence upon fund managers whatsoever.

But he misses a point when he suggests that purely fiscal measures to encourage direct share ownership are involved. Rolling settlement has been used by stockbrokers as an excuse for forcing small shareholders' investment into nominee accounts. Once in these accounts, the small shareholder's rights to receive annual reports and to vote are extin-

charge fees where none was necessary before, thereby further raising the barriers to private share ownership. Fiscal incentives to compensate for these fees would have to be substantial. There is no longer a route for the active small investor to have a direct influence on the public company in which they have invested.

also allow the brokers to

This does matter: small investors have performed a valuable role in highlighting issues of corporate strategy in the past, as when Alan Sugar proposed to return Amstrad to private ownership. Philip Owen, Customer Refocus. 8 Cockhall Close Litlington, Royston, guished. Nominee accounts | Hertfordshire SGS ORB

Seasonal offers easily refused

From Professor D A Smith. Furnham's amusing piece, savings; mas giving" (December 19), those offers I most easily refused this year were: ● A timeless design of watch; | London WIN 1PD

 Unbeatable carpet value; Derek Smith. Flat 1. 26 Devonshire Place.

Sir, In response to Adrian | Incalculable computer "The annual agony of Christ- | • Cordless music centre.

Stanhope renews talks Call for with British Land

By Simon London **Property Correspondent**

Stanhope was still trying to avoid receivership last night, more than 24 hours after its banks asked for repayment of their £148m loans.

The board, headed by Mr Stuart Lipton, was meeting to consider its position after a day of talks with British Land, the property investment company run by Mr John Rithlat. British Land's earlier rescue offers were rejected because they asked Stanhope's banks to write-off of more than 20p in

the pound on their loans. On Thursday, at least four of Stanhope's 16 banks voted not to extend the deadline for repayment of the company's credit facility.

The banks had granted a three-day breathing space on

A dispute over a con-

fidentiality agreement resulted

in the termination of discus-

sions between Scantronic Hold-

ings and Menvier-Swain, a

potential buyer, Scantronic

announced yesterday. The

shares fell 2p to 17%p, against

utive of Scantronic, the secu-

rity components company,

said: "They refused to sign a

confidentiality agreement

which they were involved in

negotiating." Scantronic had

asked for such an agreement

before disclosing financial

information to Menvier-Swain.

director at Menvier-Swain, the

emergency lighting and alarms

manufacturer, said that it had

Stagecoach

makes £4m

By Geoff Dyer

Mr Carl Hadley, finance

Mr Chris Brookes, chief exec-

a high for the year of 90p.

By Geoff Dyer

Monday but any further extension required unanimous consent of the syndicate led by Barclays.

Stanhope's main asset is its 50 per cent stake in Broadgate Properties, which owns much of the Broadgate and Ludgate office developments in the City of London.

Other than British Land, the most credible rescue offer came from PosTel, the post and telecommunications pension fund run by Mr Alastair Ross

PosTel had proposed a £250m rights issue which would have enabled Stanhope to repay most of its debts and buy the other half of Broadgate Properties from the receiver to Rosehaugh. Stanhope's former development partner which went into receivership two

Scantronic

Share price (pence)

Source: Detectorern

to bid for Scantronic.

no comment to make on the

discussions. He said that the

company was yet to decide

whether to proceed with plans

On October 27. Menvier-

However, negotiations with Rosehaugh's receiver broke down this week when PosTel's £106m offer for the other half of Broadgate Properties was

The receiver, with the support of Rosehaugh's banks, asked for at least £110m. At this price, PosTel could not offer Stanhope's banks enough for its plan to command their

Under the guidance of Mr Lipton, Stanhope was behind some of London's most admired developments, including Broadgate and Stockley Park, the innovative commerce park near Heathrow Airport. The company was floated on the Unlisted Securities Market in 1987. Its shares peaked at 321p in 1988, valuing the company at £500m, and were suspended on Thursday at Sp.

Swain announced that it might

make an offer for Scantronic.

after it had analysed the com-

pany's financial position. At

the same time it increased its

Scantronic has appeared vul-

nerable to a takeover bid in the

last year. In the six months to

September 30, it incurred a pre-

tax loss of £2.4m against a

Acquisitions have resulted in

net debts rising from £3.5m in

March 1993 to £10m at present.

In June Mr Ray Dias, the

then finance director, left after

the board said that he had

failed to alert it to the impact

of increased borrowing and dif-

ficult trading conditions.

stake to 4.49 per cent.

profit of £1.4m.

Scantronic and Menvier-Swain terminate bid talks higher each trading day. It

rose from 787p on November 25 to open at 910p on December 14, closing 100p higher, after the announcement. Mr Foster points out that in the four days preceding the meeting, the shares fell each day. "In the circumstances firmly believe the public are

can only be given if an immediate investigation is carried On December 15. Northern Electric asked for an exchange

its share price before the Trafalger amouncement. Yesterday the exchange said the investigation launched at the rec's request was continuing. Trafalgar House and the Office of Electricity Regula-

tion (Offer), of which Prof Littlechild is the head, both declined to comment on Mr Foster's observation about the share price movement.

action from creditors

acquisition

Stagecoach Holdings, the bus company, announced yesterday its ninth acquisition since it was floated last year. It is paying £4.25m for Ayrshire Bus Owners, which operates as Al Service.

£1.7m cash with the balance to be satisfied in new shares. Mr Keith Cochrane, company secretary, said the company did not expect a reference to the Monopolies and Mergers Commission. "We do not operate in direct competition with A1 Service," he said. A1 Service operates 75 vehicles in the Ayrshire towns

subject of three MMC inquiries concerning its 20 per cent stakes in SB Holdings, the Strathclyde bus operator, and in Mainline Partnership, Sheffield, and a general investigation into bus services in Stagecoach has spent £91.3m

of Irvine, Ardrossan and Salt-

north-east England. on acquisitions since it was floated in April 1993.

to be a potential bidder. Beverley may face legal

By Tim Burt

Disgruntled creditors at Beverley Group, the insolvent engineering company, yesterday said they were considering legal action to overturn a company voluntary arrangement endorsed by its shareholders this week.

Creditors owed some £500,000 want the voluntary agreement thrown out, forcing the group into liquidation and clearing the way for an investigation of Beverley's management. The company, however,

warned that a legal challenge was unlikely to succeed and said it was pursuing its own action against the creditors

involved. Mr Colin Robinson, chairman, said: "These creditors are acting maliciously. They have Stagecoach is currently the no interest in the future of number of them for money

they owe us." The creditors, however, claimed they could pursue legal action by proving that voting on the voluntary agreement was mishandled

The agreement was approved after the company agreed to two amendments proposed by

the Inland Revenue, one of the company's principal creditors. "Had the company not

agreed to these amendments.

the Inland Revenue would have voted against the CVA and the management would have been defeated," the dissident creditors said. "We believe those amendments should not have been

but to tue meeting without The amendments called on

the group to set aside enough funds to pay for liquidators should the CVA fail to restore Beverley's fortunes, and imposed a 60-day deadline for repayment of outstanding taxes.

Buchler Phillips, the insolvency practitioner which conducted the vote, said it had followed the correct procedures. "I don't think there's any Beverley, and we are suing a possible challenge that would result in legal action," said Mr David Buchler, the firm's senior insolvency partner.

While providing for partial repayment of creditors, the CVA should leave Beveriey as a clean shell company with Fluid Engineering, its only operating subsidiary, as a solvent operating business.

NEWS DIGEST

Jones & Shipman A "welcome and sustained"

Upturn at

upturn in demand helped Jones & Shipman, the machine tool manufacturer, to cut pretax losses from £973,000 to 1397,000 in the six months to September 30. This upturn, however, had

only a limited effect on turnover - up from £5.4Lm to £6.13m - because of the nature of lead times across the company's product range, said Mr Len Weaver, chairman. Losses emerged at 3.5p (8p) per share and the company's shares closed up 1p to 90p.

Farringford rallies

Farringford, which operates a hotel of that name on the Isle of Wight, reported a reduced pre-tax deficit of £16,000 for the six months to August 31. against £42,000. Turnover 1.9p (1.1p).

edged ahead from £403,000 to The improvement reflected a

better showing from the hotel and reduced head office overheads. Directors stressed, however, that the period under review was seasonally favourable and that no profit was anticipated for the second half. Losses per share narrowed to

0.1p (0.21p). Directors said they were still seeking suitable acquisitions.

Illingworth Morris Illingworth Morris and Woolcombers, both part of Mr Alan Lewis's group of textile compa-

nies, reported pressure on margins in the six months to September 30. However, improved efficiencles and lower costs enabled both companies to show

increases in pre-tax profits. Illingworth reported pre-tax profits of £1.23m (£797,000) on turnover of £25.9m, against £27m of which £2.83m related to discontinued activities. Basic earnings per share were

DIVIDENDS AN					
	Current payment	Cate of payment	Corres - ponding dividend	Total for year	Total isst year
Danae Inv Tetint Elect & Generalint	3.375 1.6	Feb 28 Feb 8	3.375 1.55	:	7.95p 3,2
Keisey Incis	10	Mar 9	5	13	8

Woolcombers reported pretax profits static at £1.08m (£1.07m) on turnover for continuing activities of £11m (£10.5m). Earnings per share were unchanged at 2.4p.

Kelsey at £1.46m

A substantial improvement in its soldering products business enabled Kelsey Industries to report profits for the year to September 30 ahead from £212,000 to £1.46m. Turnover was little changed at £50.1m. against £49.7m.

The Hertfordshire-based company, which also has interests in automotive components and industrial roofing, said the result would have been even better but for depressed conditions which affected the UK roofing business.

However, with an improved | with a collective market capiorder book, the roofing arm is expected to return to profits. After tax of £463,000 (£385,000) and minorities of £66,000 (£30,000) earnings per share came out at 24.5p, against losses of 12.2p. A doubled final dividend of 10p raises the total to 13p (8p).

London Securities

esterday's Financial Times against the All-Share. ncorrectly stated that Nu-Swift, from which London in the last quarter of last year Securities is buying a property and the first quarter of 1994. portfolio, was partly owned by with the period either side also or Michael Ashcroft. The company is now wholly owned by tors, sensing an economic Mr Jacques Murray. revival and keen to invest in

The year of the tweaked snouts

fond memories: "I will remember it as the year those with their snouts in the trough - Maurice, Cedric and all the others - finally had them tweaked." The tweaking of snouts

that many people representing

a variety of interests now

believe they can have a say,

the fund manager explained.

For Maurice Saatchi, the pro-

posing of £5m-worth of super

share options recently led to

US and UK institutional share-

holders forcing his departure

Cedric Brown's 75 per cent

salary to £475,000, has been fel-

lowed by a government exami-

nation into the issue of execu-

tive pay. The Cabinet inquiry

is the first time in several

years that the government has

deviated from its traditional

stance that directors' pay is a

Another area of controversy.

large pay-offs by companies to

directors who have been forced

to resign, has also been tackled

In June Mr Alastair Ross

Goobey, chief executive of Pos-

Tel, the fund management

group, launched a campaign to

reduce the length of directors'

contracts and therefore the

size of pay-outs to directors

Mr Ross Goobey announced

he would be using PosTel's

shares to vote against the elec-

tion and re-election of directors

who are forced out.

for the first time this year.

matter for shareholders only.

from the board.

refers to huge changes in atti-Mr Derek Foster, opposition chief whip, yesterday urged tude which have taken place the Stock Exchange to investiover the past 12 months gate the unbroken increase in towards the spicy issue of the price of Northern Electric boardroom pay. Government, shares in the weeks following fund managers and even directors all now accept the need for a meeting between Trafalgar House, now a bostile bidder "What has happened is that for the company, and Professor Stephen Littlechild, electhe net of legitimate interest in directors' pay has widened so tricity industry regulator.

In a letter to Mr Michael Lawrence, the chief executive of the Stock Exchange, Mr Foster writes: "It appears to me that it is beyond the bounds of coincidence that the shares should gain in price every day after the conclusion of that

probe into

N Electric

share price

By Chris Tighe

Trafalgar House and some of its advisers met Prof Littlechild on November 25 and the conglomerate confirmed on December 14 that it was considering a bid for the north-east of England's regional electricity company. Between those two dates, Northern's share price closed

entitled to an explanation that

out by the Stock Exchange inquiry into the movement in

Silvermines, the Dublinbased electrical services and property group, is also thought

Slight decline at CA Sperati

CA Sperati (The Special Agency), the Greenwich-based group which imports buttons and trimmings from continental Europe and east Asia, reported profits before tax of £52,337 for the year to October 31.

The modest decline from the December 31 deadline for up to turnover of £862,947 (£856,791). Earnings per share emerged at 37.18p (38.65p). There is again no dividend: the last distribution was in

volatile year for new

issues ended with a

A seemingly familiar

refrain - a profits warning

from a recently floated com-

pany. Yet Thursday's admis-

sion from Canadian Pizza,

which came to the market lit-

tle over a year ago, and other

headline-grabbing incidents

have been the exception rather

than the norm, and have

spoiled an otherwise sound

performance by the rest of the

The picture is confirmed by

research from James Capel and

UBS, the stockbrokers, and

mirrors analysis by the Finan-

cial Times in October, showing

new issues overall outperform-

ing the FT-SE-A All-Share

Index. Even where new issues

have underperformed the

index, they have usually out-

Privatisations aside, it was a

bumper year for flotations in

terms of the money raised and

the number joining the mar-

According to Capel, which

surveyed companies with a flo-

tation value of more than £25m

(excluding investment trusts

and international offerings), 68

companies floated between

January 1 and November 30.

talisation of £8.7bn. In 1993

total of £5bn.

there were 58 new issues for a

Over the past two years, new

issues have outperformed the

All-Share by 3.1 per cent and

their sectors by 8 per cent.

according to Capel. The larger

UBS report, which surveyed all

debutantes capitalised at more

than £10m, found an average

outperformance of 4.6 per cent

The most hectic period came

very active. Institutional inves-

performed their sectors.

new issues market.

William Lewis on the changing attitudes towards boardroom pay



It's a picture of my wages'

who had rolling service contracts longer than two years. "At the end of the year, it looks like two-year rollers are now the norm," Mr Ross Goobey said yesterday. "But we will have to wait and see over the next two years or so if the shortening of contracts will make much difference to the level of pay-offs". The significance of 1994 for

corporate governance is recognised elsewhere in the City. "Enormous strides have taken place in the past year." confirms Ms Anne Simpson, joint managing director of PIRC, the corporate governance consultancy. "Shareholders are now more aware of their responsi-

An academic report, published in August, bolstered the

case for change. Drawing on research involving about 170 companies, the National Institute for Economic and Social Research concluded that there was only a small connection between the performance of a company's share price and dividend - the so-called shareholder return - and increases in top executive pay. Worst of all, it stated that there was no relation between directors' pay and profit performance.

here were plenty of examples of this during 1994, particularly among directors of the privatised regional electricity companies and water companies. Yesterday, Mr Gordon Brown. Labour's shadow Chancellor, published research which

ans clobs claimed that since privatisation every rec chairman had

made a million. "We do not need to scour the country to find men who win the national lottery every year." Mr Brown said, "they

are sitting in the privatised boardrooms." While there is little evidence. to suggest that directors have tempered their pay rises, the year has seen companies willing to provide a far greater level of pay details to share-

holders. At the heart of this move has been Mr Richard Giordano. As chairman of British Gas and BOC, he has pushed both companies towards providing far more details about executive pay in the companies' annual reports. BOC, for example, now gives five pages of information on pay including, for the first time, directors' pension details. This trend is likely to con-

tinue next year with Grand Metropolitan, the food and drink conglomerate, and British Gas expected to provide the same level of detail.

Mr John Rogers, investment committee secretary of the National Association of Pension Funds, spotlights several other areas to watch in 1995: US pension funds: rule changes in the US mean that fund managers are now likely to vote their shares in the UK. Executive share options: companies are likely to come under pressure to make directors' exercising of their options dependent on more stringent performance measures. Non-executives: the NAPF believes that companies' remuneration committees should comprise solely non-executives,

who should stand for re-election annually. · Length of directors' con-

tracts: a majority of NAPF members want the norm to be one year rolling contracts.

Wembley finalises refinancing proposals

By Tim Burt

Wembley, the stadium and greyhound track operator, yesterday said it had finalised its long-awaited refinancing proposals with creditors owed some £140m.

The scheme, thought to involve a £60m debt-for-equity swap and rescue rights issue, will be put to institutional investors by Sir Brian Wolfson. chairman, in the new year. Moves to revive the company have gathered pace in recent weeks following a decision by

£40m of debt repayment. Sir Brian refused, however, to confirm whether the group had opted for one of three rival refinancing packages, which it has been considering since

July, or had decided to pursue

its bankers not to enforce a

an independent strategy. City analysts expect Sir

Brian to seek a reconstruction without resorting to schemes proposed by either City entrepreneurs Mr Luke Johnson and Mr Hugh Osmond: Mr Harvey Goldsmith's Allied Entertainments; or Apollo Advisors, the US investment group led by Mr Leon Black. Although Sir Brian can rely

on support from investors controlling at least 20 per cent of the ordinary shares, the process could still be derailed by opposition from preference shareholders. Guinness Peat. the UK investment vehicle of Ron Brierley, said it had not yet decided how to use its 26 per cent preference holding. "We are in a pivotal position. We could support or halt the reconstruction."

Dares launches rights issue to fund expansion £2.8m, and profits will be shel-Dares Estates has acquired

Milelodge, a property company, and various properties for 223.3m, funded by the issue of 167m new ordinary shares at 40 aplece, the assumption of £10.7m of debt and £5.9m cash. To help satisfy the cash element of the acquisition, Dares will raise 25.54m by way of a rights issue of up to 138.5m new ordinary shares also at 40. a significant discount to vesterday's close of 9%n.

Shares will be offered to shareholders on a 14-for-5 basis for the ordinary and 28-for-1 for the first convertible preference. The properties being acquired have been professionally valued at £30.2m. Mr Krvin Landau, chairman,

said: "This scheme revives the company; net asset value will be £12.4m, gross rental income from the new properties is

funds have driven investors

away from new issues. While

there were 52 flotations in the

first half of the year, only 16

came in the second, according

to Capel, with dozens of others

The flotation frenzy of the

last two years is over," said Mr

Tom Attwood, a director at

Capel "The market will not

support anything other than

top quality issues. And even

urice."

stock market

pulled as prices phunmeted.

tered by substantial tax losses." The proposals will enable Dares to benefit from available tax losses of £19m, capital losses of £11m, and unrelieved ACT of £3m. Dares is also to undertake a

restructuring involving the hive down of all existing assets and certain of its existing liabilities to Runtrump, a whollyowned subsidiary, along with the release of Dares from certain guarantees and all floating charges.

Upon completion of the acquisitions, Mr Tom Farmer. chairman and chief executive of Kwik-Fit Holdings and one of the vendors of Milelodge. will join the Dares board. Dares reported pre-tax losses of £133,000 on turnover of £2.62m for the half year to

June 30.

Flotations provide stronger swimmers

Christopher Price analyses the themes to emerge from a bumper year for new issues

Company	Sector		Perfor	nance (%)	
		First day's trading	To Nov 30	Relative to FT-SE-A All-Shere	Relative to Sector
Best Performers					
Telspec	Electronic & Elec. Equipment	13.13	110.00	120.92	127.54
Stagecoach Holdings	Transport	10.17	91.96	74.89	70.20
Finelist Group	Distributors	15.38	37.30	48.57	66.97
GRT Bus Group	Transport	6.88	46.88	49.80	61.97
UPF Group	Engineering, Vehicles	10.19	49.07	48.78	53.85
Inspec Group	Chemicals	15.63	41.88	46,69	53.60
Nelson Hurst	Insurance	2.14	25.00	31,90	51.08
Carpatright	Retallors, General	11.49	81,49	51.44	50.12
David Lloyd Laisure	Leisure & Hotels	20.00	74.67	61.37	48.55
Go-Ahead Group	Transport	4.17	32.50	38,34	45.63
Applied Distr. Grp	Transport	3.70	25.93	34.86	44.08
Triffest	Olatributora ·	7.50	15.00	28,42	43.79
Partco Group	Distributors	12.00	17.50	28.16	42.96
Caltura	Support Services	43,08	44.62	42.74	41.37
Ideal Hardware	Distributors	12.44	32.44	33.25	40.38
Worst performers					
Crest Packaging	Printing, paper & packaging	3.70	-25.93	-24.32	-35.44
Azian Group	Support Services	4.78	-38.70	-39.14	-35.82
Sharelink Inv Services	Other Financial	15.20	-27.60	-31.68	-36.96
Chiroscience Group	Phannaceuticals	0.67	-38.67	-31.13	-38.74
Metrotect Industries	Chemicals	23.15	-37.04	-41.26	-40.66
Anagen	Health Care	-9.00	-48.00	-51.32	
Hambro Ins Serv Grp	Other Financial	4.35	-26.03	-32.53	-45.82
McDonnell Into Systems	Support Services	-1.15	-52.31	-50.15	-46.87
Canadian Pizza	Food Manufacturers	-0.50	-56,50	-56.18	-55.94
MALD.	Media	-7 <i>.</i> 27	-59.08	-57.88	-56.20
Towny Law	Other Financial	263	-58.95	-58.92	-59.47
Code Group	Support Services ·	12.77	-68.81	-62.35	-60.07
DRS Data & Ree Serv	Electronic & Elec. Equipment	0.91	-70.00	-69.40	-68.87
Drew Scientific Grp	Health Care	42.86	-74.29	-76.57	-72.82
Aerostructures Hemble	Engineering	0.00	-74.17	-74.17	-73,82

fast-growing "recovery" stocks, turned to the new issues market with enthusiasm.

The result was a rush to the market by private companies. encouraged by City financiers and assured of a warm reception from fund managers. Critics say the stampede produced overpricing of some issues and encouraged some

would not normally have done While this bears some truth, the volatile and generally downward performance of the stock market during 1994 has been as significant. This has thrown the underperformance

companies to float which

of many new issue stocks into perspective.

which came to the market in March, has seen its shares drop by 17 per cent against their issue price and underperform the All-Share by 15 per cent. using Capel figures. Yet the stock has outperformed the building and construction sector by 12 per cent.

Among other issues high. lighted in the reports, are the underperformance of the hightech sectors, and the generally strong showing by management buy-outs.

Beazer Homes, for example,

The falling market, some spectacular flops and a lack of

issued a profits warning in September. It was this year's second worst performer. Mr Malcolm Brighton, managing director, said: "This has been the most damaging six

months of my career. I was not

equipment manufacturer, came

to the market in May and

prepared for the astonishing level of cynicism from City analysts and institutions." He said the group was a victim of circumstances beyond its control. "People just think we are trying to pull a fast one," he said. "Trying to convince them of what has actually happened has been awful." He did not think the process of flotation had been at fault.

nor the group's pricing. "We

listened to our advisers," he

said. Aerostructures Hamble is the name synonymous with the bad publicity rained on new issues during the past year. It floated in June and had issued two profits warnings by November. Mr David Ring, acting chief executive, said the company had no complaints about its flotation, nor the hostile reaction from the City.

"It was a rigorous and fair process. Some things happen to companies which can't be seen. But we have no bitterness towards the City - the market set the price then and is setting the price now. We are concentrating our efforts on getting the business back on

track." Unforeseen circumstances were also cited by Mr Garth Riley, chief executive of Telspec, in denying that the shares had been underpriced. The telecoms equipment manufacturer was the best performer since December 1993.

then they will haggle over the "The price was struck Of last year's winners and against certain market condilosers there is a fairly sombre tions. It could not take into view of the vagaries of the account business we were fortunate enough to subsequently DRS Data, the scanning

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South African pay television company M-Net, its international arm MultiChoice, and Richemont, the Swiss-based huxury goods company con-trolled by South Africa's Rupert family, have announced plans to form a new international pay television network focusing on Europe and Africa.

The new company, to be called PayCo, will control MultiChoice's current European and African operations as well as Richemont's 25 per cent stake in Italian television company Telepiu. It will have access to 2.2m subscribers in 43 countries, trailing only This will lift MultiChoice's Britain's BSkyB and France's Canal Plus among non-American pay television stations, and hopes to increase its sub-

scriber base to 5m within three The deal, which will only be formalised in February, has been concluded after extensive negotiations between M-Net and Richemont. The two groups have been working together for some time through iointly-owned subsidiary Nethold, which owns several European television interests including loss-making FilmNet, and a possible deal had been rumoured for several months. Following conclusion of the transaction, M-Net and Multi-

choice, currently listed

through linked shares on the Johannesburg Stock Exchange, will be listed separately, allowing M-Net to focus on its highly profitable domestic operations and freeing Multi-Choice to concentrate on pro-

MultiChoice's 25 per cent stake in domestic cellular phone network MTN will not be affected by the new arrange-

M-Net/MultiChoice shares in PayCo will be beld through British Virgin Islands registered company MIH. which will in turn issue new shares to MultiChoice in exchange for the transfer of its international assets to PayCo. stake in MIH from 73 to 80 per cent and reduce M-Net's direct holding to 8 per cent.

For its part, Richemont will contribute a \$150m cash injection into PayCo as well as subscribing for \$200m of the new company's redeemable prefer-

ence shares. Most of PayCo's assets are currently loss-making, and in recent years FilmNet's continued losses have severely dented M-Net's bottom line. However, analysts estimate that the losses, which are largely due to high start-up costs, have probably peaked and that PayCo should break even by 1996 when the subscriber base has improved suf-

Standa puts Euromercato hypermarket chain on sale

Standa, the retail group controlled by Mr Silvio Berlusthe to fund expan comi's Fininvest, yesterday said it was seeking to sell Euromercato, its hypermarket chain, Reuter reports from Milan. It said it had already received

> concrete offers. On sale will be the assets of Euromercato but not the company name. Industry sources said Standa could not sell the full company for tax reasons as it is written in its accounts at

well below book value. The company said its chairman, Mr Giancarlo Foscale. had been authorised to handle the sale, fixing a price and conditions. Company sources have valued Euromercato at around L1,000bn (\$608m).

Six serious bidders were believed to be in the market for the group, including Benetton, the sportswear

Euromercato runs seven hypermarkets in northern Italy, with expected turnover this year of L1,300bn and net profits of L40bn.

JP Morgan acquires share stake in Banesto

By Tom Burns in Madrid

Pta5.8bn (\$44.3m).

Banco Santander said yesterday it had sold 1 per cent of Banco Español de Crédito (Banesto), the troubled banking group it acquired in April, to the US bank J.P. Morgan. The sale, at Pta830 per Banesto share, is worth

The development renews Morgan's association with Banesto and cements its relationship with its new owners. The US bank is now part of a core of shareholders brought in to Banesto by Santander that includes the Royal Bank of Scotland, First Fidelity and Metropolitan Life, of the US, a group of Mexican investors led by the Modelo drinks group and the Barcelona-based

savings bank La Caixa. Morgan was the financial adviser to the Banesto board which was dismissed by the Bank of Spain a year ago. scarcely four months after it had led international equity issues that raised almost \$700m for the Spanish banking

In the rights issue last year the Corsair fund, a Morganmanaged portfolio backed by US institutions, invested \$175m in Banesto to own nearly 8 per cent of the banking group. Corsair's Banesto equity was, however, diluted to 3.1 per cent following a Pta780bn rescue plan that involved after a write-down of the par-value of Banesto shares and the institution's

recapitalisation. The Banesto core shareholder group that Morgan has joined controls 9 per cent of Banesto. Santander now owns 48.5 per cent of Banesto following the disposals and after placing 6.3 per cent of its equity in the bank with Santander shareholders in a 3 Santander shares for one Banesto share offer priced at Pta783 per Banesto share.

Mr Matias Rodriguez Inciarte, second vice-chairman of Santander and a member of Banesto's board, said yesterday Santander did not foresee any significant variation of Banesto's shareholder structure in the mid term.

Revamped Acer hits on winning formula

Taiwan's biggest computer maker is heading for fresh records, writes Laura Tyson

few years ago, some doubted that Acer would survive the crippling price wars being waged in the personal computer industry. This year, Taiwan's biggest computer maker has exceeded all forecasts and its share price has almost quintupled since mid-1993. In 1991, Acer sank into the

red for the first time since it was founded in 1976. Its net loss of T\$607m followed the costly acquisition of Californiahased Altos Computer Systems in 1990 and aggressive expansion in marketing computers under the Acer brand name. The company returned to profitability in 1992, and by 1993 posted net profits of T\$1.07bn. Securities analysts forecast net earnings will top T\$3bn (US\$113.6m) in 1994.

They attribute the recovery to a group restructuring, a turnround in US and European sales under the Acer label and increased orders from US and Japanese computer makers. Another factor has been

strong demand for dynamic random access memory (D-Ram) chips which has pushed up profit margins on this product. TI-Acer, a venture with Texas Instruments. brought in 90 per cent of Acer's earnings in 1993 and is expected to produce 40 per cent of earnings in 1994.

Whether Acer can keep up the pace is the subject of debate. Some analysts feel that the reorganisation has given Acer the flexibility to adapt quickly to changing market conditions

"What matters in the PC industry is technology and speed," said an analyst at a UK brokerage house.

"Many people believe there

least four ventures have been set up to produce such chips in Taiwan and should begin

operations in 1996.

Until then, at least, Acer's left, and Acer will definitely be visionary chairman. Mr Stan Others believe that while Shih, appears to have hit upon Acer should continue to pera formula which will allow the form well in the near term, it company to thrive in an indusremains vulnerable to the US try in which product cycles are constantly shrinking and highpersonal computer market and to memory chips, a heavily technology components obsocepital-intensive industry sublesce during shipment. ject to evelical swings in

will be a shake-out in the com-

puter industry in a few years.

When that happens, there will

be only 10 or 12 big companies

Acer is heavily exposed to

D-Ram chios this year, but at

T sing what Mr Shih calls the "fast-food "Profit margins in the PC business have improved but franchise" strategy. they are still quite low - for the logistics of production and Acer the margin is about 4 per distribution have been finecent at the operating level." tuned to allow speed and efficiency while keeping fast-desaid an analyst at a Hong preciating inventory to an Kong-based securities brokerage. "We're concerned that absolute minimum.

shipped to remote assembly high-risk areas." sites located in the markets in Further rounds of priceslashing in the US market or which they will be sold, where increased supply of chips could key components such as the microprocessor and the hard damage profitability. Currently. TI-Acer is Taiwan's disk drive, which quickly lose only producer of D-Ram chips. value, are installed. With There have been shortages of offices in 75 countries. Acer

plants and expects to set up 10 more in the next few years. Under the reorganisation. marketing and production units separated along regional and product lines within

Acer group were spun off into quasi-independent entities responsible for making decisions as well as profits. "Vertical integration in a company is no longer competitive." Mr The group has been trans-

formed into what Mr Shih calls a "client server" structure under which "each unit is independent but acts as a server for its sister clients", the other companies in the Acer group. Business units are not required to source materials from other units in the group if components can be had more cheaply Semi-finished computers are

> elsewhere. Acer plans to spin off 21 business units for listing on local stock exchanges around the world by the end of the decade. The group will apply to list Acer Computer International, an assembly and marketing unit, in Singapore in

1995. A joint venture with Computec de Mexico, a Mexican computer company, will be set up on January 1 and is expected to list on the Mexican stock exchange in late 1995.

Listing plans met a temporary setback recently when Taiwan securities authorities turned down applications to list Acer Peripherals, which makes colour monitors, and Acer Sertek, a distribution arm, on the Taiwan stock exchange. Regulators cited the two companies' brief record as independent entities and Acer

will reapply next year.

Another key element of Acer's turnround was a decision to refocus on original equipment manufacturing (OEM), or producing under contract to major computer companies. Acer is one of the few Taiwan computer makers to promote its own brand name alongside OEM production. But in the late 1980s the group decided to devote more resources to brand sales and cut OEM business from 40 per cent in 1988 to 25 per cent in 1992. In 1994. OEM sales had risen to 35 per cent and Mr Shih hopes to reach 50 per

Acer's commitment to building a brand name, in contrast to other Talwan computer companies, means going head-tuhead with the industry's giants. It also means having to fight against prejudices left over from the days when Taiwan was simply a high-volume, low-cost producer. "The made-in-Taiwan image is a burden," concedes Mr Shih. "People still have the idea that a Taiwan company must be worse than a US company. It will take a long time to overcome this problem.

Matif clears hurdle in its bid for UK recognition

now has 20 such assembly

have that result at present.

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By Nicholas Denton in London Matif. the French futures and options

dle in its bid to gain recognition as an investment exchange in the UK. Sir Bryan Carsberg, director-general of the Office of Fair Trading, said yesterday that two features of Matif. While potentially anti-competitive, did not

The OFT said it would keep "under

market, has cleared an important hur-

review" the effects of the two rules. which cover a limit on membership numbers and the capital requirements upon them.

It nevertheless recommended that Matif be granted permission to operate and thereby cleared the way for Matif futures and options to be offered on electronic trading terminals in the UK. Trading on Matif takes place on an exchange floor using "open outcry". Out of hours, however, Matif products

are bought and sold on the Reuters Globex system and recognition will allow UK traders to use this facility. From the end of 1995 two Matif con-

tracts are scheduled for quotation on terminals of Deutsche Terminborse, the German futures exchange. If both Matif and DTB gain formal status in the UK. products from both exchanges will also become available on-screen in the UK during working hours.

Liffe, the London exchange, said rec-

ognition of Matif was an inevitable consequence of the opening of European markets. It said it was in close discussion with the Paris authorities on winning reciprocal access in France.

Futures traders said the spread of terminals of different exchanges would help them save costs by concentrating execution of transactions in fewer hubs. The Globex system has lacked liquidity and the inclusion of Matif products will increase its attractions to users.

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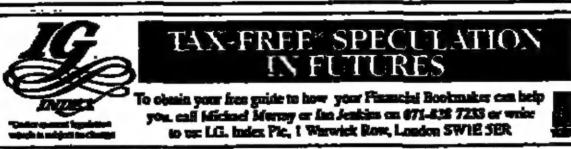
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FT EXPORTER: Winter Issue - January 31st

The next issue of the FT EXPORTER, Europe's leading export review will appear with the Financial Times throughout the UK and the Continent, on January 31st. Packed with advice, information and case studies the FT Exporter is a "must read" for all current or potential exporters.

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London

Rally notas fire but hope lingers

David Wighton finds a dash of seasonal spirit

postal order, the oftpredicted year-end share rally failed to materialise. But there was at least a dash of seasonal spirit

this week. There were Christmas presents for investors in Northern Electric and Portals as the promised bids duly arrived, and the good cheer spread as the City predicted a New Year full of take-over promise.

Apart from the actual bids from Trafalgar House and De La Rue, there were potential offers for Pict Petroleum, Wills Group and Jupiter Tyndall.

The FT-SE 100 index rose steadily until yesterday when with dealers deserting their desks, it slipped back a shade to end at 3083.4, up 69.8 on the week.

Adding to the Christmas cheer was the announcement of the UK's first surplus on the current account of the balance of payments in nearly eight years. The £846m third-quarter surplus was much bigger than the City had forecast and was seized on by the government as further conclusive evidence that the UK is making a textbook economic recovery.

Unfortunately for the government, the voters are finding it far from enjoyable. Besides. most observers believe the surplus is likely to be short-lived because it is the result not just of strong exports but also of

weak imports. These have been subdued. partly because UK industry has not been investing in capital goods - which tend to come from abroad.

Those who see resurgent inflation at every turn take little comfort from the surplus. They maintain that unless industry starts investing, rising demand will lead merely to inflation. The determinedly gloomy add that if industry does start investing it will hit the trade figures, weaken the pound and fuel inflation.

Back in the stock market. the electrical excitement spilled over into the water sector. Despite the dangers of mixing the two, the suggestion resurfaced that electricity and

How the markets compare...

Highlights of the week

FT-SE 100 Index

Cable & Wireless

Conodian Pizza

De La Rue

Hall Eng

Portula

Hammerson

Sun Asliance

Telegraph

TeleViest

Taylor Woodrow

Northern Elect

GUS

Cadbury Schweppes

water companies might combine to make themselves less attractive to predators. Hanson was mentioned as a potential bidder for both - and many others besides.

enlivened by bid hopes. The FT revealed that a £1.5bn offer to buy the St Martins Property group, owned by the Kuwaiti government, had been made by an investment consortium headed by Barings, a merchant bank. The offer is thought to have been rebuffed, but the news provided a shot in the arm for the sector.

Among this year's worst performers, property shares have been hit by the rise in bond yields and the lack of the predicted rise in rents. But the St Martins offer follows other recent signs of renewed activity. Land Securities shares ended the week up 18p at 604p, while MEPC added 17p to 395p.

It all appears to have come too late, however, to save Stanhope Properties, half-owner of the City's Broadgate development. Stanhope's shares were suspended this week after negotiations with its bankers broke down.

etail shares, which have fared scarcely better than property, also perked up a bit. After quick trips to count the heads in Oxford Street, anslysts decided Christmas trading might not be as bad as feared. Kingfisher, this year's Footsie's back-marker, recovered 19p to 414p over the week. BAT Industries, another of

better note, too, after winning US government approval for its planned \$1bn takeover of American Tobacco. Two more of the UK's biggest concerns also had a good week, with British Petroleum regaining its place as the most valuable UK company (overtaking British Telecom) while Glaxo, which once held the

the year's laggards, ended on a

title, surged by 7.5 per cent. This followed the news that. because of a provision in the Gatt trade agreement, the US patent on Zantac, Glazo's anti-

ulcer treatment, could be

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285

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1085

1040

+21

+100

-12

Favourable press comment

Recovery in retail stocks

Restructuring provisions

Firm property sector

Trafalgar bids £1.2hn

Halitax insurance cuts

Hollinger share buy-back

Bid by De La Rue

Share buy-back

Bld speculation

US selling

Profits warning

...back in the black

UK current account balance (Ebn)

extended by 19 months. Analysts estimate that this could provide Glaxo with extra revenue of between £500m and £900m - which although very welcome, hardly justifies a Property shares also were £1.5bn increase in the compa-

> ny's market value. Insurance shares were left out of the party after the Halifax announced it was cutting an average of 20 per cent off building cover from next year. Sun Alliance closed at 295p. down 6 per cent on the week.

The week also brought a clutch of profit warnings from smaller companies. Canadian Plzza, the pizza-base supplier, had offended once already since it came to the stock market last November and its shares crumbled to 73p compared with 200p at flotation. New issues apart, there have

been fewer disappointments than might have been expected this year, with overall profits growing more strongly than most observers predicted. Some are expecting even faster growth this year. Merrill Lynch forecasts total market profits up 24 per cent – almost twice the consensus - driven by rapid economic recovery in continental Europe and good

growth in domestic demand. Yet, the firm's Footsie prediction for the end of next year is only 3,250, in line with its contention that earnings multiples are due to fall more sharply than believed gener-

In part, this reflects the increased number of quoted utilities, shares of which command a lower than average earnings multiple and higher yield. Because of this change, it could be argued that the UK market is not quite as cheap as it looks by historic standards. or relative to other European markets.

Even so, UK shares do look attractive compared with the US and most continental markets. Following London's sharp underperformance in the first half of 1994, the optimists argue that the more recent recovery looks set to continue. The City's Billy Bunters insist that the year-end rally is

Wall Street It was the week before Christmas...

and usually nothing stirs. This year has been different, writes Patrick Harverson

the quietest trading Street. From Monday on, business winds down rapidly as investors and dealers tidy up their books ahead of the hollday and Christmas shopping trips, office parties (and office party hangovers) take their toll on both enthusiasm and trading volumes.

Not this week, however. Since Monday, the stock market has been buffetted by (in chronological order): the fallout from last Friday's recordsion: Intel's hamfisted handling of the flawed chip flasco: eral Reserve open market committee meeting; chaos in Latin American debt and equity markets: growing concerns about Russian military intervention in the breakaway republic of Chechnya; and, just to top it all, a firebomb explosion at a subway station in the financial district which revived memories of the devastating bombing of the World Trade Centre

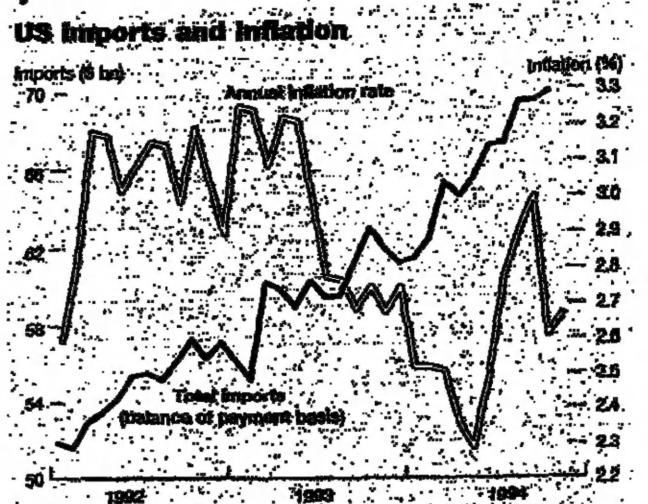
All in all, a pretty lively pre-Christmas week, and the fact that the market managed to come out of it ahead was a testament to the power of this year's belated December rally. Some of the credit for the gains should go to the Fed,

he week before Christ- which decided at its open market committee meeting on Tuesday not to raise interest Although the decision to keep rates unchanged was expected investors were still relieved. I weeks of breathing space before the Fed's policy makers next sit down to discuss interest rates, six weeks in which investors can try to build on the modest, but seemingly solid, gains of the past 14 days. The chances of the rates going up early next year, however, remain strong, Judging by the statistics released this week, the economy is still growing at an impressive

> clip. Data on durable goods orders, consumer spending, and merchandise trade all painted the picture of an economy in robust health. The trade figures were particularly revealing. In November, the deficit widened to \$10,14bm (the second largest ever) because of a sharp drop in exports and a big jump in imports, which totalled a record \$70bn. Although imports have been

and potentially inflationary

rising sharply for most of the year, there is no sign yet that this is having much of an effect on inflation. At some point, however, analysts expect import growth to fuel inflation most likely early next year. This expectation, plus the fact that the widening deficit only adds to the downward pressure on the dollar, increases the



Yet, for now, investors appear content to put their interest rate fears to one side. While the Dow posted declines on Monday and Tuesday this week most of the selling was attributed to a technical follow-through from Friday, when massive buying related to "triple-witching" (the simultaneous expiration of various stock options and futures) boosted share prices and lifted volume close to record levels.

By Wednesday, the December rally was back on track, and the Dow broke above 3,800 for the first time in more than a month. Some of the credit for

policy tightening in late Janu- ogy sector, where stocks con-Intel's decision to finally get to grips with the problem of its faulty Pentium chips. After stalling for several weeks, the company announced on Tuesday that it would, after all,

> no questions asked. The decision helped Intel's share price rebound strongly from last week's losses, and prompted a sector-wide rally that was vigorous enough to lift shares in Microsoft, even though the software giant was still suffering negative publicity following its announcement that the release of Windows 95

replace the flawed chips for

customers - free of charge, and

the keenly-awaited new version of its best-selling program - will be delayed yet again possibly until as late as next

By Thursday, external political events were weighing on investors' minds. Although the escalating conflict between Russia and Chechnya was troubling, it was still too distant and too small to frighten the market. Of more immediate, and local, concern was the financial crisis in Mexico. where the peso's wees sparked a devaluation, then flotation, of the currency, followed by a sharp sell-off in Latin Ameri can bond markets.

Yet, the implications o Mexico's money problems were not entirely negative for US stocks. While the shares of bi US banks with significant busi ness interests south of the border suffered, and the ADRs (American depositary receipts) of Mexican companies took a predictable beating, the rest of the market held up well, with analysts proclaiming that the turmoil in Latin American markets would persuade international investors to redirect some of their capital to the relatively safe haven of US

Monday 3,790,70 -16.49 3,767.15 -23.55 Wednesday 3,801.80 +34.85 Thursday 9,514.92 +15.12



Santa's package for rich bosses

Barry Riley pens a heart-warming seasonal story on top people's pay - ho! ho! ho!

hud! Swoosh! Father Christmas landed his sleigh just outside his front door, "Whoa!" he shouted to the reindeer. "Jolly good. Another blooming Christmas over. But my feet are just like blocks of ice. Time for a good hot cup of tea."

He looked round at his old, familiar kitchen. The kettle had begun to bubble on the gas cooker. The boiler cast a red glow as he stretched his feet towards it. "Ho! ho! ho!" he laughed as he thought of the presents being unwrapped all over the country.

All the same, his contentment was tinged with regret. Another long year stretched before him with nothing much to do except feed his reindeer and re-paint his sleigh, "Things are getting so much tougher." he complained, with a sigh. "There's hardly a proper decent chimney left across the land and I have to try to squeeze through all those blooming balanced flues. What a lack of consideration.

"There's no doubt I need another job in the new year. Something part-time so I can continue to carry out my Father Christmas responsibilities. But who will employ me when all I know about is giving presents to everybody? I would be no use as a banker except, perhaps, in a property boom, ho! ho! ho!"

Sighing, he picked up the jobs section of the newspaper. "What's all this?" he said, turning the pages and reading aloud. "Excellent remuneration package...highly competitive package to be negotiated...flexible compensation package plus benefits. Wall. I certainly know all about attractive blooming packages." He sat up. abruptly. "That's it." he exclaimed. "I will

So it was that, early in the

become a compensation consul-

new year, Father Christmas went to a nearby big city and looked around for a place to work. Very soon, he passed an expensive-looking office block with a big new sign above the door: North Trent Electric. "This will be one of these

newly-privatised utilities which the government gave away for almost nothing the other Christmas." he recalled. "At the time. I thought it was trying to put me out of a blooming job. Now, the electricity companies are trying to do the same thing by giving lots of money away to inves-

The pay of the chief executive should be as good as any competitor plus a bit for luck

"Anyway, with such hig profits, they must have plenty of generous pay packages to work out in here. I'll go in and see the human resources director immediately.

He was shown into a large was full of piles of documents labelled P45. "Blooming delighted to meet you, Mr Snipstaff," boomed Father Christ-

"Have you ever thought what I could do for you as a remuneration consultant? I can suggest all sorts of bonuses and packages. I've been spreading happiness around for many years. I can guarantee you that lots and lots of new employees will want to work for you. After all, new boys and girls are writing to me all the time. No blooming advertising, just word of mouth."

Snipstaff looked at him in

disbelief. "You don't seem to be very well-informed, if I may say so, Mr Christmas," he snapped. "We're down-sizing here. The saving from every job we de-emphasise goes straight on to the bottom line. Not that we really like it. of course, but it's the way the regulatory regime was designed. So we can't use you

He paused for a moment and glanced at a folder on his desk marked Global Remuneration Benchmarks, "Wait a minute. How about boardroom pay? Will you advise on top executive packages?" Father Christmas beamed.

"Of course," he replied. "Rich

kids, poor kids, they're all the blooming same to me, ho! ho! ho! But there is just one condition: you must convince me that you really believe in Father Christmas." Snipstaff's eyes narrowed for a moment, then he nodded. "In

this respect, at least, you can be sure that we sincerely do." he conceded. And so Father Christmas

was appointed formally as consultant to the remuneration committee of the board. The committee consisted of three non-executive directors: the chairman, Lord Duffer, and be the chief executive officers of South Midlands Electricity and West Central Power. His advice was simple. The

chief executive's pay should be as good as that of any of his competitors, plus a little bit for luck. The two outsiders on the committee agreed this was a fine idea and asked if Father Christmas would like to become a consultant to their companies, too.

He was overjoyed in fact, he said, this was just like having Christmas every single day, They all agreed.

Father Christmas had a busy year. His reputation spread

rapidly and he was called in by many big companies, including manufacturers and retailers even some big City of London finance companies which agreed that their directors must be awarded competitive rolling packages. Otherwise, they would not have the incentive to act as responsible investors and proprietors, making sure that the companies in which they put money were run properly.

"After all," said Father Christmas, as he recommended they adopt rolling three-year contracts, "we must make sure that market forces will bloom-

He turned on

the gas cooker to make a cup of tea but it blew itself out with a loud pop

ing well operate in this risky environment." Sometimes, he got repeat consultancy calls. One came from North Trent Electric. which called Father Christmas back to consider what Lord Duner called the "knock-on consequences of unforeseen trends in top executive pay

elsewhere in the electricity industry". "Yes, we must add a bit Father Christmas advised. "We can't have anybody being paid less than the average, can we?"

All too soon, it was autumn. "Crumbs," said Father Christmas, "I must soon overhaul my sleigh and start loading it up. [have time for only one more consultation before I prepare for Christmas Eve, ho! ho! ho!"

Who was it to be? The phone rang, and a voice said: "British Gas here. Come at once, we

need some urgent advice." At British Gas headquarters the chairman, a charming American, came quickly to the point. "Frankly, it's a bit embarrassing," he said. "My pay is £450,000, although 1 work only part-time as a nonexecutive. But our full-time chief executive, Mr Brown, is paid only £270,000. It looks out of line. What do you advise?"

"Well," said Father Christmas, "you could reduce your own pay. But after all, it is nearly Christmas. What's more, I have a database of ton executive pay all around the world - except in poor countries, of course - which proves that Mr Brown is substantially under-compensated. "Now, £500,000 might look a

bit much, so let's split the difference. Therefore, I recommend that you pay him, er, £475,000. Plus, of course, the right to test all the latest luxury gas appliances free in his own home. But no blooming balanced flues, please." Outside, it was snowing. "I

must hurry," said Father Christmas. "It would never do to be late. This is my real job." The sleigh was packed in no time and the tarpaulin fixed over the presents. "If I just harness the blooming reindeer, we'll be ready."

The sleigh flew through the sky. "Work, work, work," grumbled Father Christmas, it was almost dawn when he finished and led the reindeer into their stable.

He put the kettle on to make a cup of tea and settled down in front of the fire to open his own cards and presents. The biggest envelope of all contained a huge Christmas card with a glowing flame pictured on it.

It said: "Thanks for everything - Cedric Brown. PS: To think that until this year, I didn't believe in Father Christ-

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rate water to all rick lians Dow ahead as holiday mood takes hold

Wall Street

IIS share prices posted strong gains across the board yesterday as investors and traders celebrated the last trading day hefore the Christmas break by sustaining the market's ingeasingly-impressive December rally, writes Patrick Harverson in New York.

By 1 pm, the Dow Jones Industrial Average was up 28.26 at 3,843.18. The more broadly based Standard & Poor's 500 was also firmer at the halfway mark, up 1.26 at 460.94, while the American Stock Exchange was up 0.90 at 426.42 and the Nasdag composite up 3.01 at 742.35. Trading volume was 129m.

As expected, trading was thin yesterday, with many participants either taking the day off or leaving early. Prices, however, benefited from the lack of activity, with the modest buying - particularly of blue-chips - having an exaggerated effect on leading indi-

The Paris Page

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You have the

- Dow stocks were in particular favour, which is quite normal for this time of the year as institutional investors seek to pack their portfolios with quality issues and stocks that have fared the best this year (the Dow has outperformed all other major indices in 1994). This "window-dressing" contributed to the sharp early gains, and by early afternoon the Dow was showing an advance of almost 30 points. Bond prices, meanwhile,

were slightly firmer, which also helped buoy shares. A modest rally among Latin American ADRs following the heavy selling earlier in the week related to the Mexican financial crisis was another factor supporting the market. Telmex, for example, rallied

\$% to \$40%, Grupo Financiero firmed \$% to \$9, Grupo Tribasa added \$% at \$20 and Grupo Televisa jumped \$1% to \$33%. Among Dow stocks, the most popular were General Motors. up \$1% at \$40%, International

Paper, up \$1% at \$76%, and Disney, \$% higher at \$46%. Bank stocks, hit earlier by concerns about earnings and the shump in Latin American markets, rebounded. JP Morgan rose \$% to \$56%, Citicorp added \$% at \$41% and Wells Fargo firmed \$% to \$146%. Genentech tumbled \$8 to \$49 after the securities house.

Goldman Sachs, downgraded

Canada

the stock.

Toronto edged ahead in thin dealings and at noon, the TSE-.300 Composite index was 4.60 higher at 4,178.32 in volume of just 16.8m shares. Only two of the market's 14 sub-indices was lower at midday, but changes were marginal.

Mexican recovery stalls

An early recovery in Latin American stocks was modified in midsession, especially in Mexico. The IPC index rose 3.4 per cent on early bargain hunting, companies with foreign earnings showing particular strength; but, later, it reverted to small loss.

Brazil's Bovespa index had a less volatile career, moving from a session high of 43,395 on bargain hunting, following a 12 per cent fall on Wednesday and Thursday, to 42,968, still up 1.8

per cent. Argentine's Merval index was showing an early gain of 3.2 per cent after losing 3 per cent on Thursday. In terms of real money, Mexican equities had a lot of

ground to make up. The IPC index, on Thursday evening, was up 3.3 per cent in three days in local currency terms; but the peso had fallen from 3.45 to the dollar to 4.9 over the same period, meaning a three day loss on the IPC, dollar adjusted of 27 per cent.

WORLD STOCK MARKETS

Tokyo counts its blessings, up 25% in \$ terms

After some pessimism latterly, analysts are beginning to be hopeful about 1995, writes Emiko Terazono

In spite of the pessimism which shrouded the Tokyo stock market for the latter half of this year, the holiday season seems to have brightened sentiment

investors trying to look on the brighter side of things might have focused on the fact that, to date, the leading Nikkei index is still 12 per cent higher in local currency terms since the end of last year, and 25 per cent higher in dollar terms thanks to the sharp appreciation of the yen. However, the 225 average is

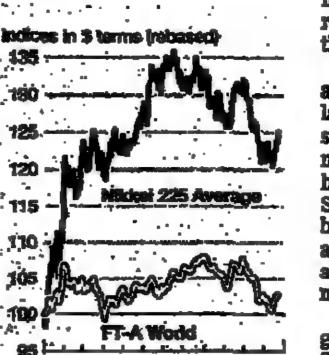
off 9.7 per cent from the year's high of 21,552.81 in mid-June. Although share prices surged in the first few months of this year thanks to buying by overseas fund managers trying to join the expected economic recovery, the reluctance of domestic institutions to follow suit has been partly responsible for the slack performance. Not only have Japanese

institutional investors, life

assurers and banks, failed to purchase shares during the past year due to the decline in unrealised profits on stock holdings, but they have been selling shares to counter losses from bad loans and insurance payouts. According to Credit Suisse, unrealised gains of stock holdings at the country's top 18 life assurers for the year to March this year totalled Y12,500bn, down 72 per cent from the peak in 1988. In short, demand for Japa-

nese shares this year has almost been limited to foreign fund managers and public pension and postal insurance funds which have bought shares to prop up the equity market rather than for strictly investment reasons. In the midst of this low

demand, the government, in Japan Tobacco. The cigarette monopoly absorbed about Y570bn from the market. Mr Jason James, a strategist



at James Capel in Tokyo, expects huying by life assurers

to remain muted as their investment strategies continue to be conservative. He believes that life companies have a November, proceeded to float problem with their solvency margin levels and that they are plagued by bad debts. Investment trusts, which have been sellers during the past few

months, are not expected to return to the stock market in the short term.

So it is noteworthy that Japanese analysts, who have largely been painting a weak scenario for the Tokyo stock market for most of the year, have become more optimistic. Some market participants are becoming cautiously confident, and see the Nikkei index rising above the 20,000 in the first few months of next year.

Mr Yuichi Matsushita, strategist and manager of Nikko Securities investment strategy section, feels that share prices have now discounted many of the unfavourable factors surrounding the Japanese economy and corporate profits. The bad loan situation at

uring and the high yen are not going to go away, but have been around for some time now," he says. He places his hones with overseas investors, who remain underweight in

Other blue chips found

According to James Capel, UK pension funds, for instance, had average weightings of 5.1 per cent in Japan at the end of September against a neutral weighting within the overall overseas equity component of around 6.3 per cent.

Mr Matsushita also detects waning enthusiasm towards emerging markets, and increasing wariness towards senior competitors like New York and Hong Kong.

Overseas investors, reassessing their asset allocation for the new year, are once again looking at Japanese shares, he says. He sees the Nikkei index rising to between 23,000 to 24,000 next year. "On a global level Japan is still attractive and Japanese investors could be left behind if they are too pessimistic," he says.

The economic argument for a rise in share prices is still strong. Overall corporate profits are expected to rise by 8 per

cent for the year ending next March and companies are expecting a further rise in profitability for the following year. Higher corporate profits means less pressure for companies to sell stock in order to prop up their profit and loss accounts. "In retrospect, the market this year has risen in line with corporate profits," says one lapanese fund manager.

eanwhile Mr Kazuo

Tamayama, fund . manager at Yasuda Kasai Brinson Investment Management, notes a recovery in the liquidity situation. Excess liquidity,he says, has stabilised and seems to be on the verge of bottoming out. In spite of the favourable economic fundamentals, how ever, most analysts agree that heavy selling is expected around the 20,500 to 21,500 levels. Mr James reckons that the Nikkei may not clear the 21,500

EUROPE

Cyclicals more mixed as Frankfurt eases on session

L19.073.

Political hopes continued to move Italy, but its hard currency neighbours made a more sedate approach to the Christmas holiday, writes Our Mor-

FRANKFURT suspended its recent enthusiasm for front line cyclicals, and chemicals, carmakers and engineers were mixed as the Dax index eased 6.64 to 2.094.01 on the session. up 1.1 per cent on the

Turnover fell from DM5.2bn to DM4bn. In the post bourse. shares edged higher with Wall Street, the Ibis-indicated Dax closing at 2,100.98. In cyclicals, Bayer fell DM4 to DM360.10 Mannesmann rose DM5 to DM420; Ms Barbara Altmann at B Metzler in Frankfurt said that some foreign, judicious profit taking had been balanced by "window dressing".

The latter might explain why Allianz moved from a loss of DM6 on the session to a gain of DM10 at DM2.510 after hours. Otherwise, financials were weak on unrealised hopes for a bond market revival. PARIS, as a market, moved

THE EUROPEAN SERIES FT-SE Eurotrack 100 1348-92 1346-34 1345-98 1348-36 1348-56 1348-99 1347-89 1348-46 1402.65 1401.67 1401.88 1402.65 1403.03 1404.13 1404.66 1404.73 Dec 21 Dec 20 Dec 19

quietly towards Christmas Eve with the CAC-40 index off 2.2 at 1.949.85, but 1.3 per cent higher on the week.

FT-SE Actuaries Share Indices

However, there was more cheer at the level of individual stocks. On Thursday night, L'Oreal said that its Paravision International unit had sold about 300 films to Canal Plus. the French pay-TV channel. Yesterday L'Oreal rose FFr26 to FFr1.145 and Canal Plus FFT11 to FFT898 - suggesting. somehow, that both sides had the better of the

Meanwhile, Valeo said that it would have 75 per cent of a joint venture with Siemens to produce systems and electric motors for car heaters and air conditioners, and the French

company's shares rose FFr3 to MILAN continued higher as

hopes rose that the country would avoid early elections which might postpone action on the budget deficit and possibly bring higher interest rates. The Comit index picked up 1.70 to 629.00, with the weakness of the lira still prompting foreigners to buy. The index had risen by 3.8 per cent during the course of a highly charged week on the political front which saw the resignation of the prime minister. Mr Silvio Berlusconi on Thursday. Olivetti, popular with foreign

investors, rose L87 or 4.5 per cent to L2.040, but analysts were unable to point to any news to account for the rise. AMSTERDAM finished with

strong demand taking Fiat L136 higher to L6.024 and Telecom Italia un L75 to L4.193. Credito Italiano slipped L17 to L1.678 amid concern that it might relaunch a bid for Credito Romagnolo, Rolo, which a group headed by Cariplo is also bidding, rose L151 to

ZURICH featured a 3.7 per cent fall in Holderbank as the cement producer, which has companies in Mexico and in other Latin American countries, fell prey to the Mexican financial crisis. The SMI index finished 1.2 higher at 2,651.0for a 1.8 per cent rise on the week. One leading domestic bank was said to be a major seller in Holderbank, which also saw foreign sell orders. The shares

overdone. UBS was again seen as a buyer of its own shares, which have been under pressure recently, and the bearers rose SFr16 to SFr1.111.

fell SFr38 to SFr1.003, although

some analysts commented that

the fall seemed to have been

modest falls after a shortened session and the AEX index lost 0.95 to 414.40. It was still 1.5 per cent ahead on the week. Among chemicals shares, Akzo was up 40 cents to Fl 198.10, helped by positive comments about higher 1995 and 1996 sales. DSM was F11 higher at FI 139.30.

Other leading shares were uninspired with Philips down 20 cents to F152.30 and Royal Dutch off 60 cents to FI 188.30. Heineken lost Fl 3 to Fl 261.50 on profit-taking after recent gains, while other food and drink issues were mixed.

MADRID staged a technical recovery in low volume, the general index rising 1.68 to 292.88, 1.7 per cent lower on the week in turnover of just Pta13.4bn, close to the lowest measure of market activity this

STOCKHOLM edged lower with the market's lacklustre performance exacerbated by an early close on the debt market and higher government bill rates and bond yields. The Affärsvärlden General index eased 0.5 to 1471.1.

MoDo, the forestry group, rose SKr5 to SKr346 after a large block trade in the stock led to speculation that its fellow paper products group, SCA, had sold some of its large

HELSINKI revived after news that a pay deal had averted strikes in the forestry and paper industries. The Hex index rose 19.0 to 1,813.7, a fraction better on the week with Repola up FM4 at FM84.

Written and edited by William Cochrane and Michael Morgan

SOUTH AFRICA Johannesburg edged ahead as industrials managed to overcome negative early sentiment

while golds struggled to curb

earlier losses. The overall index gained 4.3 at 5,803, industrials picked up 20.0 to 6.926.2 and gold fin-The feature of the session

ished 9.5 lower at 1.955.1 was M-Net's R2 rise to R15 on news of an international pay television deal with Richemont and Multichoice.

ASIA PACIFIC

Taipei down 1.6% as institutions sell

Emperor's birthday, and other Asia Pacific markets were also in holiday mood.

TAIPEI was sharply lower, following Thursday's consolidation, on last-minute selling by institutions of previously overbought stocks. The weighted index fell

107.73 or 1.6 per cent to 6,857.95, for a 0.6 per cent fall on the week. Turnover shrank to T\$85.3bn from Thursday's T\$114bn.

profit-taking, with China Steel down T\$1.3 to T\$31.2. Late selling also focused on textile issues that had supported the market in earlier

Steels encountered heavy

Hualon was down 80 cents to

SEOUL saw sharp early gains wiped out as institutional investors unloaded large quantities of shares on rumours of a Won2,000bn central hank issue of monetary

bonds to absorb liquidity. The composite index ended 0.35 ahead at 1,040.55, after a high of 1,053.95, and for a 1.6 per cent rise on the week. Investors showed little

according to one dealer, most of the current economic ministers were retained. HONG KONG fell on profittaking, after four days of rises, in thin trading in the absence of Japanese buyers.

ahead of the close because.

The Hang Seng index lost 100.78 to 8,311.88, for a 1.8 per cent rise on the week. Turnover was a meagre HK\$1.72bn, the third-lowest this year, against HK\$3.26bn

on Thursday. KUALA LUMPUR fell prey to profit-taking and a lack of buying which sent the composite index down for the first time this week.

The index lost 5.47 to 988.87. but was still 4.4 per cent higher on the week.

Brokers said some investors were still optimistic about the market's prospects, although the index had met strong resistance at the 1.000

The utilities stocks, Telekom Malaysia and Tenaga Nasional. which performed strongly in recent days, pulled back as institutional buying quietened

Tokyo was closed to mark the response to a cabinet reshuffle down. Telekom fell 40 cents to of the market in the past M\$18.0 and Tenaga lost cents to M\$10.60.

Yeo Hiap Seng rose 25 cents to M\$8.55 after its "designated security" status was lifted. SYDNEY edged ahead in light volume of just 95m shares after Wall Street's continued

The All Ordinaries index ended 1.1 higher at 1,909.8 for a 0.6 per cent rise on the week. BHP added 10 cents to A\$19.72 in active trade after its ADRs closed firmer in New

York. CRA was 2 cents higher at A\$17.82. On Thursday, the company said it had moved nearer to closing the Southern Copper smelter and refinery by buying out the other shareholders and

booking an abnormal loss of A\$115m. MANILA was pulled lower by a mild selidown in blue chips as investors lightened their portfolios ahead of the

Christmas holiday. The composite index fell 21.57 to 2,785.50, for a 2.8 per cent rise on the week, as foreign funds took quick profits, while local investors who were left behind by the weakening

weeks have started to lighten up their portfolios.

BOMBAY picked up as sentiment improved after the resignation of three ministers named in two national scan-

The BSE 30-share index rose 26.69 to 3926.90 for a 0.4 per cent fall on the week.

Brokers said that the ministers' resignation was seen to have restored the prime minister's credibility in the ruling Congress party, which lost heavily in recent regional

SINGAPORE edged down, with light buying of some key stocks belping to shore up the market.

The 30-share Straits Times Industrials index edged down 0.30 to 2.219.29 for a 2.3 per cent rise on the week. BANGKOK was slightly

2.95 to 1,361.35 for a 1.9 per cent rise on the week. Thai Airways was Bt2 higher at Bt55 on news of the appointment of a new chair-

lower, the SET index losing

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er 4	20	21				151		Theres We	500	271/2		29	3115	2016			F.		37.2	626	615	First Russ	den Fr	620		-	-	= ;*	_
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	_						_	Option		Mer	Job	Sup	Mar	,Jun	Sep	10			28.4	106	98 ¹ 2	For & Co	i Emig C	10212	-1	-	-	-	-
BCHF (100	15 1½	29%	36 Vz	7%	1512	28%	Abber Heti.	420	276	304	40	1416	2016	28	.50	F.	P.	216.5	508	490	Gertmore	Mic Uta	508	43	-	-	_	_

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	_	F.P.		22		Do. Warrants	22		_	_	_	
	_	F.P.		173		Clydeport	166		FIN3.51	-	2.6	
	100	F.P.		103		Euclidian	97		-	-	-	
	-	F.P.		496		Fidelity Spec Unts	470		-	_		
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}	100	F.P.		94		Florring Nat Res	92		-	_		
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	_	F.P.		100	90	INVESCO Korea C	9512	-212	_	_	-	
	120	F.P.		123		innovative Techs	123	_	N-	_	_	_
		F.P.		127		Invest Cap Inc An	127		_	_	_	
	_	F.P.		127	38	Do. Warrants	38		_		_	_
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	100	F.P.		94		Matheson Lloyds	88		-	-	_	
		F.P.		92	88	Musey Enry Econ	91	-1	_	_	-	
	_	FP.		145	138	RAP Group	138		RN4.85	2.1	4.2	10.6
	175	FP		210		FM	206	41	N4.8	3.1	29	13.3
	_	F.P.		108		Residential Prop	101		_	_	_	
	120	FP.		144		SeaPerfect	129		-	-	-	-
	162		1,473.9	188		TeleWest.	172	واب	_	_	_	
		F.P.		102	102	Wellington Un.	102	-	-	-	_	-
	_	F.P.		118	118	Woodchester Units	118		_	_	_	-
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leeve	Amount	Lateut		194				Closing	1402-
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53	NE	31/1	1 ² 2pm	\$4pm	MY			4DIM	ير
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FIRE	NCIAL	TIME	IS EQ	UTTY	MDIC	ES			
		Dec 23	Dec 22	Dec 21	Dec 20	Dec 19	Yr ago	7-10h	Low
Ordina	ry Share	2369.3	2374.4	2355.7	2345.9	2331.1	2557.7	2718.6	2240.6
Ord. di	v. yield	4.41	4.40	4,43	4.44	4.46	3.62	4.61	3.43
Earn. y	St. % full	6.46	6.45	8.49	6.51	6.56	4.11	6.75	3.82
P/E rati		17.88	17.86	17.74				33.43	16.94
P/E rat		17,32				17.15		30.80	16.67
For 100	H. Ordinary stry Stare	Share Ind	ex since c	emplation					100

Open 9.00 10.00 15.00 12.00 18.00 14.00 15.00 16.00 High 2370.6 2369.0 2369.2 2369.2 2369.2 2369.4 2369.6 2369.5 2369.5 2370.6 2369.4

	Dac 23	Dec 22	Dec 21	Dec 20	Dec 19	Yr ago
SEAO bergeins	11,861	19,581	18,748	20,673	21,210	33,718
Equity turnover (Cm);	-	1316.2	1624.0	1305.8	1275.8	1530.6
Equity bargainst	-	25,960	31,037	25,871	29,335	39,263
Shares tracked (mil)†	-	581.0	722.5	516.9	493.3	770.4

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FT-ACTUARIES WORLD INDICES

Figures in parenthecas	US	Day's	Pound			Local .	Local	Gross	UB .	Pound			Local			Year
show number of lines	Doller'	Change	Storing	Yen	DM	Currency	% chg	Div.	Dollar	Sterling	Yen		Clarency .		32 week	
of stock	Index	76	Index	Index	Index	Index	on day	Yield	Incless	Index	index	Index	Index	High	LOW	(abbroid
Lustralis (68)	172.04	0.2	185.08	109.29	141.36	147.49	0.1	3.91	171.68	163.18	108.71	140.16		189.15	157.28	
Lustria (16)	178,20	-0.1	170.99	113.20	148.42	146.34	0.5	1,11	178.35	169.52	112.88	745.60		198.89	167.46	
3elgium (35)	185.83	0.1	169.11	105.34	136.26	132.80	0.7	4.16	185.06	157.A5	104.89	135.23		177.04	160.78	162.84
3razii (28)	154.79	-6.3	148.63	98.33	127.19	244.75	-5.5	0.84	185.14	156.96	104.56	134.81				
Canada (103)	129.17	0.0	123.94	82.05	106,19	130.65	0.2	2.64	128.21	122.82	81.82	105.49		145.31	120.54	
Dentriark (33)	242.74	1.4	232.92	154.20	199.48		20	1.45	230.33	227,48	151.54	195.36	_	275.79	236.61	
triend (24)	177.26	-0.4	170.06	112.60	145.65	178.09	-0.7	0.78	177.92	189.11	112.86	145.25		201.41	123.20	
France (102)	184,18	-0.1	157.52	104,28	134.89		0.5	3.05	184.41	156.27	104.10	134.22		185.37	159.34	
Sermeny (68)	140.14	0.0	194.47	69.02	115.15		0.7	1.80	140.14	133.20	88.73	114.40		150.40	128.37	139.20
long Kong (58)	334.39	0.7	320.65	212.42	274.77	83216	0.7	\$.78	332.17	315.78	210.33	271.18		508.58	305.89	
rejand (14)	201.30	0.3	193.15	127.88	185.41	188.24	1.2	3,48	200.77	190.83	127.12	163.90		216.60	177.58	
taly (69)	73.10	-0,7	70.14	48.44	60.07	89.70	-0.5	1.76	73.56	89.95	46.50	80.08	90.17	97.78	95.87	70.80
lepen (468)		1.1	148.45	98.28	127.13	98.28	1,4	0.78	163.07	145.49	98.92	124.98	98.92	170.10	127.18	
Vietnysie (97)	485.42	1.4	465.78	308.38	. 398.87	479.25	1.5	1.76	478.69	454,99	308.10	390,80		621.63	430.71	545,94
Verdco (18)	1426.04	-0.5	1368.32	905.88	1171.74		6.7	1.40	1575.97	1497_08	997.88	1286.50		2647.08	1426.04	
istheriand (19)	212.02	-0.4	204,30	135.28	174.98	171.0 0	0.3	3.26	219.78	203.15	135.33	174.49		223.30	191.28	
New Zeeland (14)	70.82	-1.5	67.95	44.99	58.19	68.67	-1.9	4.99	71.92	88.38	45.54	58.72		77.59	62.06	
Horway (23)	206.46	1.6	198.10	131.15	169.64	198.17	22	1,71	203.16	198.10	128.64	165.65		211.74	175.64	
Sngepare (44)	975.85	0.6	360.64	238.76	308.84	253.60	0.6	1.00	379.57	355.07	236.54	304.98	-	401,38	294.66	
South Africa (58)	331.17	-14	317.77	210.37	272.12	296.41	-0.2	2.22	335,83	319.20	212.64	274.16	1000	342.00	205.55	
Spein (36)		-0.6	127.73	84.66	109.38	134.64	∸0.1 ·	4.24	133.90	127-27	84.78	109.31	134.77	155.79	132.01	141.32
Sweden (36)		0.8	220.49	145.97	188.82	255.03	0.5	1.57	229,00	217.68	145.00	185.95	253.80	242.81	193.90	
Switzerland (47)	162.97	0.1	159.37	103.52	133,91	134.68	0.6	1.81	162.80	154.74	103.08	132.90	133.83	178.56	149.91	154.08
Theiland (46)	159.34	0.0	152.89	101.22	130.93	155.28	0.0	2.39	159.30	151.41	100.87	130.05	165.27			
United Kingdom (204)	193.84	-0.9	186.00	123.14	159.28	186.00	0.7	4.15	194.38	184.78	123.08	158.69	184.78	214.96	181.11	
USA (514)	188.03	0.0	160.42	119.45	154,50	188.08	0.0	2.94	188.06	178.75	119.08	153.58	198.06	196.04	178.95	190.22
Americas (565)		-0.3	167.27	110.74	143.24	145.85	0.0	2.88	174.77	168.12	110.66	142.68	145.81	-	_	-
Europe (708)	167 29	-02	100.45	106.22	137.40	151.61	0.5	3.09	167.49	159.19	108.05	138,73	150.71	178.58	160.59	
Nordic (116)	219.70	0.5	210.80	139,68	180.52	208.68	0.7	1.42	218.54	207.71	138.37	178.41	207.22	233.91	187,38	187.38
actic Basin (793)	- 1010	1.0	156.07	103.32	193.65	107.52	1.3	1,18	161.05	153.08	101.98	131.48	105,18	176.86	141.04	144.80
keto-Pacific (1501)	102.00 404.48	0.5	157.80	104.47	135.13	124.92	0.9	7.99	183.65	155.55	103,62	133.60	128.74	175.14	153.85	154.86
Vorth America (817)	464.40	0.0	178.92	117.13	151.50	184.06	0.0	2.93	184,41	175.28	116.77	150.56		192.73	175.67	
Suppose St. 186 MAA			143,29	94.86	122.76	131.08	0.5	247	149,47	142.07	94.64	122.02		158.12	144,12	_
Europe Ex. Lik (504) Pacific Ex. Japan (326)	148.00	-0.1			188.26	211.38	0.6	3.15	239.91	228.03	151.91	195.86		296.21	224,17	
Marie St. 18 42 200	-241.27	0.6	231.51	153.27		128.41	0.9	2.00	165.12	158.94	104.55	134.60		176.65	155.88	
Nortd Ex. US (1709)	165.50	0.3	155.89	105.19	136,06						107,32	138.37	142.04	178,59	162.63	
Model Ex. UK (2019)	169.88	0.2	163.01	107.92	139.50	142.65	0.6	2.14	169,50	161.10				195.20	178.34	
World Et. Japan (1755)	183.11	-0.2	175.70	116.32	150.46	175.27	0.2	2.97	183,44	174.36	118.15	149.78	174.84	19020	1/04	100.47

420 36% 44 49 2 9 12% (*178) 180 6 11 18 9 14 16% " Linderlying security price, Premiums shown are 260 21 28 31 1/2 2 41/2 81/2 beand on settlement prices.
260 81/2 16 191/2 9 12 18 December 23, Total contracts: 10,838 Calls: 7,186
Puts: 3,754 FT GOLD MINES INDEX 22 on day 21 20 ago yield % High Low

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17.773 20.152 18.483 330.534 325.453 239.140 E CAC-40 STOCK PUDEX PUTURES (MATER) 1000 1017.0 1011.0 **1318.0**0 10/5/94 5,005,300 4,765,100 4,830,100 3,802,300 1966 205 (165/49)

(c) 1545.02 1522.01 1712.73 12/6/94 Ord Section (47/68) ki 3069.24† 2088.01 2542.65 97/94 MESE COMPLAYERS and Mining - 500; Austria Tracked, BEL20, HEX Cors., MAS Gest., SBF250, CAC40, Euro Top-100, ISSQ Overall: Toronto Comp./Metata & Miningship and DAX - all 1,000; JSE Gold - 255.7; JSE 26 Industrials - 264.3; NYSE All Common - 50 and Standard and Poor's - 10. §§ Montreal. + Toronto. (c) Closed. (u) Unarabable. \$ #815/DAX after-hours index: Dac 23 - 2100.98 -1,27.

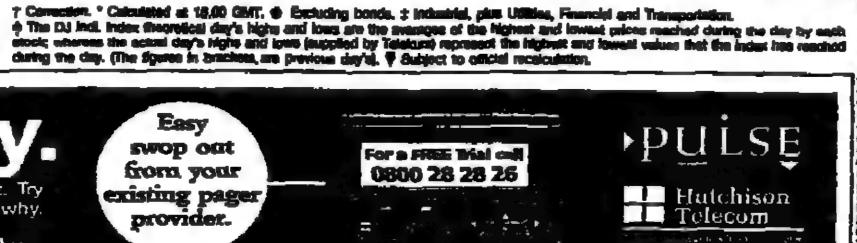
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Appendix App

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MOTES - Prices on this page are so mated on the implication exchanges and son passing last back fortist prices. Highertanes are bound on this hope Juny 7 1994, a Dethings econocides, at the detector, at the arrivations. It is not priced as the second are the se The control of the county of t

Andre Colorina mit generalität in mit anderen in ter bei ber ALL THE STATE STREET OF THE STREET April 1 - April 12 (20) de l'étage In a little will little Colors grandwag. Brokeri Hills of an interest the

CURRENCIES AND MONEY

MARKETS REPORT

Dollar firmer

The dollar was yesterday the heneficiary of Mexico's woes with the US currency profiting from a flight to quality, sorites Philip Gawith.

The reverberations in Latin American markets, and beyond, of the sharp devaluation of the Mexican peso were still the focus of attention.

Activity was, however, very quiet. Trading desks were nently manned, and activity in Europe effectively died after the lunchtime release of the US durable goods data.

The dollar shed some of the esins it made on Thursday, but maintained its firmer tone to ciose in London at DM1.5783 from DM1.5805. Against the yen, it finished at Y100.205 from Y100.495. Elsewhere, the lira was firm after the excitement earlier in the week, colminating in the resignation on Thursday of Mr Silvio Berluscomi, the prime minister. The

POUND SPOT FORWARD AGAMIST THE FOUND

Also attracting some attention was the New Zealand dollar, which touched a six year high of \$0.643 in Asian trading.

■ Analysts said that the ramifications of Mexico's devaluation were potentially more serious for the region than the collapse of the ERM had been for Europe.

The slide in the peso, from around 3.46 on Monday, to 4.70 yesterday, has spilled over into

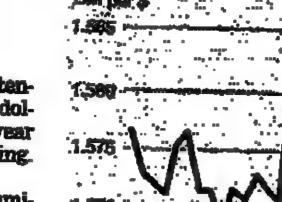
III Potted in New York - Prest. close -1.5480 1.5479

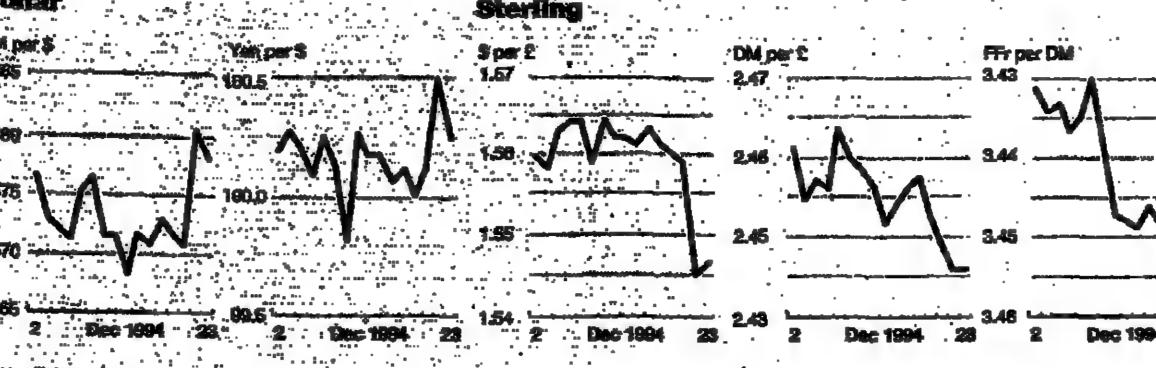
other countries like Brazil and Argentina, prompting a heavy liquidation of assets held in the region by US funds. "From a sentiment stand-

point, the market has perceived this will be money comlira finished unchanged at ing home, and that will be glimmer of hope. good for the dollar," said Mir-

(Soh) 17.1574 -0.0246 507 - 640 17.1973 17.1420 17.1436 1.0 17.103 1.3 (BF) 50.0993 -0.0722 602 - 383 50.1600 50.0430 50.1443 -0.4 40.0043 0.8

-0.0722 802 - 383 50.1600 50.0480 50.1143 -0.4 49.9943 0.8 49.9943 1.4





Shandi Modi, chief economist at IDEA, the financial advisory service, in London. Trade remained very thin, with an enormous bid-offer spread of around 4.60/4.80

Although the peso appears to have achieved a modicum of stability, analysts said it remained vulnerable to further sale of the underlying assets. On the other hand, recovery over the past two days in the

One month. Three months. One year. Bank of

Before the devaluation, most

The New Zealand dollar ever, was light and dealers said

Portuge

observers believed the peso touched a fresh six year high, was 10-15 per cent overvalued, buoyed by buying from a local suggesting it is now oversold. bank in thin trade. Dealers said the "Kiwi" was also benefiting from Standard & Poor's

DOLLAR SPOT FORWARD AGAINST THE BOLLAR

+0.0018 465 - 470

■ The only figures released of any note were US durable goods orders. They rose by 3.4 per cent in November, compared to a consensus forecast of 1.7 per cent. The series, however, is very volatile and was

at \$0.6425/US\$ from \$0.6409. Mr Modi said the bias of the The French franc recovered

by the move.

was difficult to see why the currency had fallen to its lowest level in a year. The franc has been in retreat ever since Mr Jacques Delors announced he would not be sovereign upgrade of New Zea-

105.9

88.6

standing for the presidency land on Thursday, with some local institutions caught short next year. This prompted fears of a swing towards the Eurosceptic right in French politics. The Kiwi finished in London

4.8210 4.7645 4.7758 0.8 4.7725 0.5 4.7555 5.4535 5.4405 5.4489 0.4 5.446 0.4 5.4128 1.5791 1.5735 1.5777 0.5 1.5763 0.7 1.555

1.5487 1.5454 1.5487 0.1 1.5468 0.0 1.5463 0.0

-0.6 800 - 000 244.000 245.550 246.4 -12.3 251.35 -12.2 268.65 -10.1

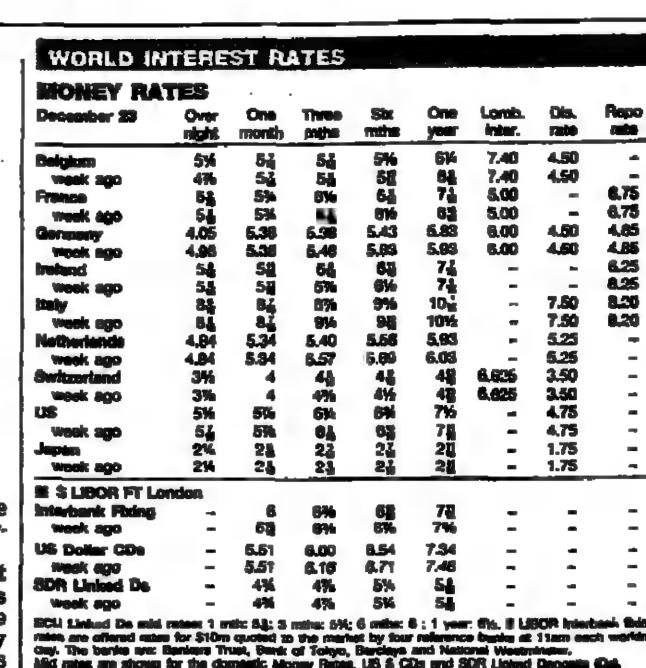
-0.37 050 - 150 162.150 161.830 182.725 -4.6 163.85 -4.3 167.85 -3.5

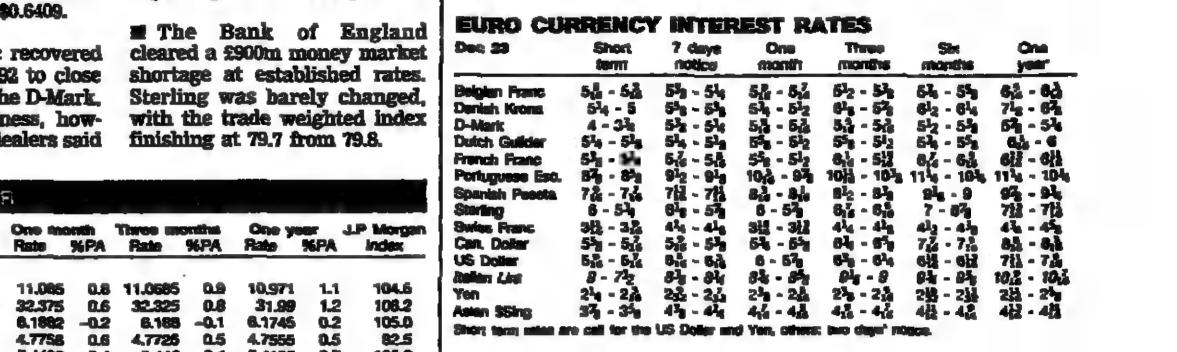
+0.0013 054 - 062 1.2067 1.2051 1.2056 0.2 1.2058 0.0 1.2123 -0.5

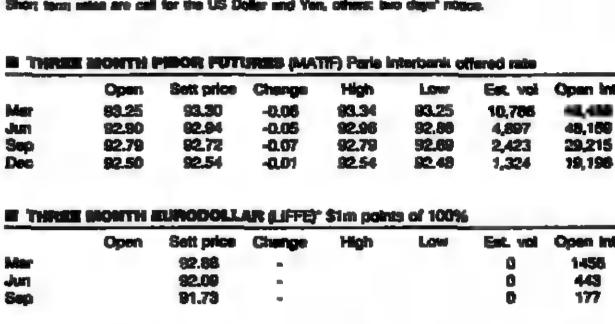
-0.0845 700 - 100 32.4400 32.3350 32.375 0.6 32.325

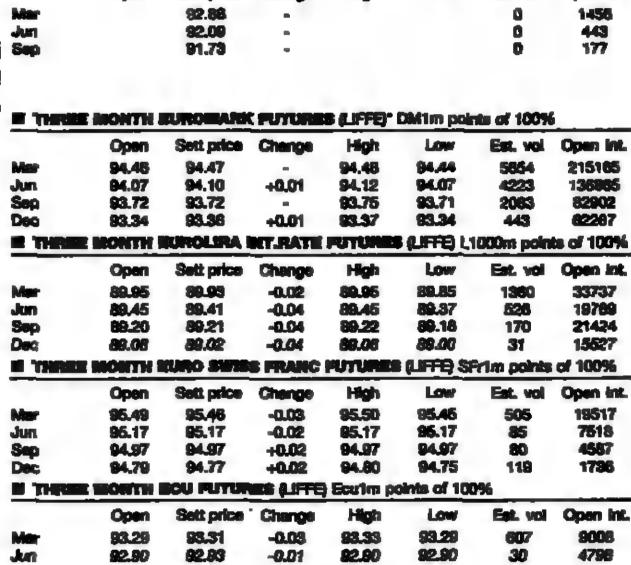
-0.0138 875 - 925 31,4100 31,3875 31,46 -2,7 31,605 -2,7

■ The Bank of England cleared a £900m money market shortage at established rates. off a low of FFr3.4592 to close from FFr3.455. Business, howfinishing at 79.7 from 79.8.









FIREE MONTH EUROPOLLAR (MM) \$1m points of 100%

82.80

92.52

92,17

-0,03

92.62

4798

10 25

UROBEARIE OPTIONS (LIFFE) DM1m points of 100%

0.4638 - 0.4652 0.2999 - 0.3807 37641.8 - 57684.9 24340.0 - 24380.0 5421.92 - 5425.78 2783.80 - 2708.90

5,6795 - 5,8821 3,8725 - 3,6730

92.90

92.62

92.14

92.52

92.17

table can be found on The Companies and Finance page in Wednes-

Degun	(BIT)	20.0883		802 - 383		50.0480	50.1143	-0.4	40.0943	0.8	49.3943	1.4	117.
Denmurk .	(DK)	9.5690		659 - 736		9.5540	9.5684	0.4	9.574	-0.2	9.5405	0.3	118
Inland	(FM)	7.3904	-0.0473	814 - 993	7.4510		-	_		-			69
Leuce .	(1997)	8.4310	-0.0078	284 - 335			8.4297	0.2	8.4258	0.2	8.3729	0.7	109
mmany .	(DM)	24412		402 - 421		2.4351	2.4405	0.3	2,4363	0.8	2.4017	1.6	128
reece	(CI)	377_263		037 - 468		376,528	_	_	-	•	-		
elend-	. (EZ)	1.0155		148 - 161		1.0113	1.0157	-0.2	1.0147	0.3	1.0136	0.2	104
sty .	, es	2537.08	-1.8			2584.70		-32	2555.26	-29	2607.61	-2.8	73
rocimporta	(FE)	50.0993		602 - 383		60.0430	50.1143	-0.4	49.9943	0.8	49,3943	14	117
istheriands	(FT)	2.7312		303 - 320		2.7261	2.7302	0.4	2.728	0.8	2.6892	1.5	120
CLASA	(MAC)	10.6494		453 - 534		10.6192	10.6497	0.0	10.6483	0.0	10,6394	0.1	85
ortugal	(Es)	250.728		810 - 846		250,329	251.548	-3.0	253.023	-3.7	-		
pain	(Ptel	205.969	-0.278		208.414	205,839	206.379	-23	207.034	-20	209,769	-1.8	84
weden	(SKr)	11.5898	+0.0073			11.5841	11.6066	-1.8	11.6393	-1.7	11.7583	-1.5	76
witzeriand.	(SF1)	2.0611	+0.0017	599 - 622	2.0629	2.0564	2.0578	1.9	2.0511	1.9	2.006	2.7	120
	(2)	-	_	-	-	-	_	_	_	_	_	-	74
CU .	_	1.2828	+0.0001	821 - 834	1.2839	1.2798	1.2832	-0.3	1.2831	-0.1	1.2752	0.6	
DR†	_	0.934626	-	_	-	_	_	_	-	-	-	_	
interions.													
	(Peso)	1,5460		456 - 464		1.5443	-	-	-	-	-	-	
racit	(F3)	1.3194		178 - 211		1.3176	-	_	_	_	_	-	
anada	(CS)	2.1643		636 - 650		2.1625	2.1647	-02	2.1867	-0.3	2,1755	-0.5	84
	Peso)	7.2311	-0.0302	139 - 488	7.3483	7.0821	-	-	_	-	_	•	_
SA	(5)	1.5468	+0.0018	465 - 470	1.5487	1.5454	1.5467	0.1	1,5486	0.0	1.5487	0.0	65
	East/	Milce											
ustrafia	(AS)	1.9903	-0.0013	891 - 916	1.9942	1.9666	1,9922	-1.1	1.9966	-1.3	2.026	-1.8	
long Kong	8-BC\$3	11.9688	+0.0155	660 - 715		11.9599	11,9148	5.4	11.9143	1.8	11,9293	0.3	
cita	(Pa)	48,5525	+0.0352	408 - 642	48.6100	48.5330	-	-	-			-	
egeri	(1)	154,992	-0.268	928 - 058	155.270	154,860	154,507	3.8	168,447	4.0	147.572	4.8	186
lelaysia -	045)	3.9840	+0.0035							-			-
ew Zeeland	(NZS)	2.4074		051 - 097			2.4137	-32	2,4250	-8.1	2.4639	-2.3	
	Peso	37.3541	+0.0435	614 - 468		36.9183				~.			
andi Arabia	(SFI)	5.8015	+0.0061					_	_	_	_	_	
ingapore	(55)	2.2629		618 - 640			_	_		. 48	_	_	
Africa (Corn.)		5.5123		102 - 148		5.5022	_	_	_		_	_	
Africa (Fin.)	F	8.2678		633 - 118		6.2633	_	_	_	_	_	_	
	(Worl)	1223.56		328 - 383		1222.72	_	_	-	_	_	_	
ajwan Otan rejesir	(ET)			322 - 516				_		-	_	_	
heliend	B0	38.8544		326 - 761			-	-		-	-	-	
SDR rates for Descript Sur, are implication and the Description	so 22. I	CUITMENT INTO	eacle in the rest rains, 8	Pound Spot terino index	table show resculeted in	only the lar	of England.	Base &	rerace 1985	= 100.	Birl. Offer a	rectly quo nd Mici-ra	ated up tee in t
CROSS F					S								
EXCHANG		71.55											

0.416 1

2500

0.040 100. 0.108 0.372 929.0 1

2.405 0.096

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FB 18.34

-			-			(149)	31.39UU	-0.0138	875 - 425 3	N.4100 31.367	31.48	-2.7 31.00	5 -27		
U	147.57	2 4.8	189.1	Japan		(1)	100.205	-0.29	180 - 230 1	00.290 100.140	99.885	3.8 89.21	5 4.0 9	95.62 4.6	148.1
-				Malaye	ale.	(MS)	2.5828	-0.0007		2.5635 2.562		1.4 2.555		5833 -0.8	-
Lī	2.4636	-23	-	New Z		(NZS)	1.5584			1.5805 1.555		-0.7 1.559		5688 -0.8	
			_	Philipp		(Peso)	24.1500			4,4000 23,900					-
-			-	Saud.		(58)	3,7508			3,7608 3,750		-1.1 3.761	3 -1.1 3.	7758 -0.7	
			-	Singer		(55)	1.4630			1.4635 1.462		1.3 1.45		4415 1.5	
-			_		a (Com.)		3.5638			3,5680 3,559		-5.2 3.611		7763 -B.0	
			-			R	4.0850			4.0850 4.0800		-8.3 4.137		4.375 -7.6	
_			_	South		(Work	781.050			91,400 790,800		-4.6 797.5		18.05 -3.2	
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_				Theller		(Bt)	25.1200			5.1200 25.110		-1,4 25,240		5.845 -2.1	- 7
_			edit or bate			- 4				ow only the last t					-
			tes in both	but ero	implied by	CLIMA	interest ret	aa. UK, holar	d & SCU are quo	ted in US aurrenc	y. J.P. Morgen	naminet indice:	Dec 21. Base	mratage 1890-10)0
							_								
									EMS E	UROPEAN	CURRE	ENCY UN	IT RATI	ES	
	Pta	SKr	SFT	£	CS		Y	Ecu	Dec 23	Ecu cen.	Refe against Eco	Change u on day	% +/- from		
	411.0	23.13	4.114	1.996	4.319	3.068	309.2	2.561							
	215.2	12.11	2.154	1.045	2.261	1.617	161.9	1.341	Natherland		2.13500	-0.00166		7.84	•
	244.2	13.75	2.445	1.186	2.567	1.835	183.7	1.522	Beigkum	40.2125	39.1995			7.31	18
	84.35	4,748	0.844		0.887	0.634	63.46	0.526	Comment	1.94964	1.90769	-0.00132	-2.15	6.91	-
	202.9	11.42	2.031		2.132	1.524	152.6	1.284	Ireland	0.808828	0.793471	+0.001517	-1_87	6.61	13
	8.116	0.457	0.081		0.085	0.061	B.106	0.051	Demmark	7,43679	7.48081	-0.00963		4.00	-4
	75.39	4244	0.755		0,792	0.588	58.72	0.470	France	6.53883	8.59854			3.67	-8
	193.3	10.88	1.935		2.032	1.453	145.4	1.206	Portugal	192.854	196.087	-0.232		2.88	-11
	82.13	4.628	0.822		0.863	0.617	61.79	0.512	Spain	154.250	181.364			0.00	-32
	100.	5.829	1.001		1.051	0.751	75.28	0.623				31131			
	177.7	10	1.778		1.887	1,335	133.6	1.107	NON ERM	MEMBERS					
			_		1.050	0.751	75.16	0.623	Greece	264.513	295.115	-0.11	11.57	-8.24	_
	99.90	5.623	9.001					1.283	Hely	1793.19	1988.10			-5.65	_
	205.9	11.69	2.061	_	2.164	1.547	154.9		LEK	0.786749	0.788006			5.11	_
	95.15	5.358	0.952	0.482	1 200	0.715	71.58	0.593						_	
	133.1	7.492	1.332		1.399	7	100.1	0.829	DOU Control (1	tes set by the Europea are for Eco	CONTRACTOR	SOUTH CUTTORISE	E HE IT USSOR	Charmen she	HERE
1	132.9	7.482	1.331		1.397	0.999	100.	0.828	rescensage C	TWO Spreads: the	Description 4	Manage behave	n the actual me	in and the contract of the con	
	160.5	9.034	1.808	0,779	1.887	1,206	120.7	1	for a common	rand the medicu	to belinging of	arcentage device	tion of the curr	Ancy's market rat	a from i
	per 100.								Ecu Central ri	de.		_			
									(17/9/92) Stor	ing and Italian Lit	a suspended S	rinn EPMA. Adjus	ignesit calculate	id by the Firench	d Times
	YES P	TUPES	(MM) Yen	12.5 per 1	Yen 100						_				
	pen	Latest	Change		Lo	ter i	Est. voi	Open int.	E PHILAD	ELPHA SE £	S OPTIONS	£31,250 (ce	ats per pound	<u> </u>	
				_				•	Strike	-00	- CALLS -		-	PUTS	_
	1070	1.0073	+0.0012				12,600	71,574	Price	Jan	Feb	Mar	Jan	Feb	Mar
7.1	1190	1.0200	+0.0012		1,01	19LI	1,237	3,460	1.500	4.59	4.86	5.23	0.01		0.70
	-	1.0318	+0.0027	. •	_		6	327	1.625	2.43	2.94	3,47	0.28	0.86	1.41
									1.550	0.85	1.66	2.14	1.19	1.91	2.50
_			000												
e I	TO THE		982,500 p	BF E	_				1.575	0.18	0.69	1.21	2.96	3.47	3.98
									-		0.24	0.04	E 20	E E4	E DE

Seio -	U,D414	• •	-		"	100	cop	_		TOURSE!	_
II SHEE PRAN	C FUTURES	(MM) SFr 12	25,000 per	SFr			¥ 511	LINE FUTU	HES THAN	882,500 pe	r 2
Mar 0.73 Jun 0.76 Sep		4-0.0014	+0.7805	0.7636 0.7594	7,986 146 9	38,265 623 54	Mar Jun Sep	1.5466 1.5454 -	1.5468 1.5460 1.5442	+0.0020 +0.0012 +0.0038	1.547 1.548
UK INTER	EST RA	TES		- 153							
LONDON B	ONEY R	ATES						HE MOSETH S		PUTURUS.	(LIFFE)
Deg 28	Over- night	7 days notice	One	Tivee months	Sbx months	One year	Mer	Open 92.70	Sett price 92.69	Change -0.02	High 92.72
Interbank Starting Starting CDs Treasury Sith	45-1	413 - 4	512 - 5% 512 - 612 613 - 513	8/4 - 84 8/3 - 6/2 8/4 - 8	7 - 61 61 - 61	7程 - 7% 72 - 7型	Jun Sep Dec	92.00 91.61 91.22	\$1.99 \$1.50 \$1.20	-0.05 -0.05 -0.05	92.02 91.52 81.22
Bank Bills . Local authority da Discount Market of			52 - 52 53 - 51	832 - 832 834 - 834	613 - 673 7 - 574	752 - 753		APT, All Oper	_		Mous day: 500,000
UK clearing bank			ent from De	cember 7.	1994		Strike Price	Me	CAL		Sap
On General Differ	·	Up to 1 month	1-3 menth	3-6 months	8-0 months	9-12 months	9250 9276	0.30	0.2	0 0.	18
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	Open	Sett price	Change	High	Low	Est. voi	Open Int.	[B/	ASE LENDING RATE
		92.69 91.99 91.50 91.20 Haterest figs.			92.68 91.99 91.49 91.19	3010 877 828 111	93399 63278 60758 45024	Adam & Company 6.25 Alled Trust Bank 6.25 Alle Bank	Duncen Lawrie
	Ma	CALL	_	ар	Mer	PLITS	Sep	Benk of Cyprus 6.25 Benk of Ireland 6.25	Habib Bersk AG Zurich . 6.25 CHambros Bersk
	0.36 0.21 0.10	0.20		18 12 08	0.17 0.27 0.41	0.71 0.89 1.09	1.18 1.37 1.58	Bank of India	Heritable & Gen Inv Bk. 6.25 6HD Semuel
total.		Prés 100. Pre			Salls 79981 S			Gerown Shipley & Co Ltd .6.25 CL Bank Nederland 6.25	Hongkong & Shanghal. 6.25 Julian Hodge Bank 6.25 CLeopold Joseph & Sone 6.25

112		**
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-	100	1.2

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Give people with cancer a fighting chance Over 90p in every £1 donated goes directly into our vital research I would like to make a donation of £____ __ to my Access/Visa/Ames/Dinert/Charity Card No.

BASE LENDING RATES

Clyclendalo Benk 6.25 Meghrej Benk Ltd 6.25 Coults & Co 6.25 * Mount Banking _____ 6.25 Credit Lyarmais 6.25 NetWestminster 6.25

(Cheques payable to: Imperial Cancer Research Fund) Expiry Date ___/__ Signature Mg/Mrs/Miss/Ms Address

Research Fund	×

Postcode . Please return your donation to: Imperial Cancer Research Fund FREEPOST (WC4066/3) London WCZA 3BR PTA2 Ordinary Shares will commence on 5 January, 1995. PENTEX OIL PLC

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FINANCIAL TIMES

Newsletters

MEAT AND LIVESTOCK

IL LIVE GATTLE CHE (40,000be; cents/k)

30.878 -0.575 40.750 30.575 1,544

LONDON TRADED OPTIONS

LONDON SPOT MARKETS

\$15,38-5,38u

\$15.49-5.53

\$15,86-5.90

\$17,05-7.094

\$157-159

\$140-142

\$98-100

\$169-161

\$157-150

\$148-147

5381.30

475.5c

\$418.50

\$154,00

141.0c

9,427

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-0.065

IN CRUDE OIL FOR (per berrel/Feb)

20.075 -0.625 40.600 38.950

E COPPER

155.17

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London's commodities markets broke up for the Christmas holiday at lunchtime yesterday in a relatively subdued mood. Recently strong markets, like some of the base metals, generally edged back a little, while recently week ones, like coffee, clawed back some of their

Exchange copper, which has been setting the trend for most other base metals, ended at \$2,969.75 a tonne for three months delivery, down \$11.75 on the day and \$15.75 on the week. But that was still \$25.25 above Tuesday's low and dealers were not ruling out a renewed attempt to break decisively above the \$3,000 mark after the festivities.

Yesterday's reversal was influenced by news of a rise in LME warehouse stocks, not a

LINE WAREHOUSE STOCKS (As at Thursday's close)

Aluminium Aluminium alicy	-39,976 +300	to 1,691,500 to 30,620
Copper and	+1,926	to 297,325
Load	-1,400	to 347,200
Mickel	+312	to 148,836
Zing	-1,950	to 1,182,300
Th	-165	10 28,355

big one, but none the less an unwelcome interruption to a long sequence of falls. The decline on the week could also be seen as modest in view of the easing in the concern about nearby supply tightness that had been an important factor in the market's recent strength. That was reflected in a narrowing in the cash premium over three months metal to \$20 a tonne from \$70 at the end of last week.

LME markets following copper's retreat yesterday were nickel, zinc and tin, but aluminium continued to make its own luck. The three months price rose \$3.25, helped by another big stocks fall, to \$1,943.75 a tonne, up \$20 on the week and \$78.75 above Monday's low. The publication of

WEEKLY PRICE CHANGES

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

	Letest	Change	Year		104
	prices	on week	200	High	Low
Gold per troy az.	\$381.30	+0.50	\$385,50	\$398.50	\$969.50
Sever per troy oz	307.60p	-1.00	335.90p	384.50p	308.50p
Akuminkum 99.7% (cash)	\$1915.5	+22.5	\$1104	\$1966.0	\$1107,50
Copper Grade A (cash)	\$2989.5	-68. 5	\$1773.5	\$3065.0	\$1731.60
Lead (cash)	\$639,75	+0.25	\$465.0	\$675.0	\$426.0
Niciosi (cash)	\$8485,0	-60	\$5277.5	\$8630.0	\$5210.0
Zinc SHG (cash)	\$1105.0	-6.0	\$977	\$1186.5	\$900.5
Tin (cash)	\$5855.0	-100	\$4817.5	\$8270.0	\$4730.0
Cocoa Futures Mar	2993	+23	£929	£1124	2859
Coffee Futures Jan	\$2797	+169	\$1231	\$4091	\$1175
Sugar (LDP Raw)	\$368.8	+4.1	\$265.7	3357.7	\$252.9
Berley Futures Mar	£105.80	+0.05	£105.45	2106.00	292.65
Wheat Futures Mar	£108.85	+1.05	£100.40	£117.50	697.80
Cotton Outlook A Index	87,50c	-0.40	61.154	87.90c	62.45a
Wool (64s Super)	470p	•	342D	4850	342p
Oil (Brent Blenct)	\$15.882	+0.075	\$13.64	\$18.61	\$13.16

Russian industry data showing lower production and exports in 1994 also aided aluminium.

The London Commodity Exchange robusta coffee market sprang to life on Wednes-day after Central American producers unveiled an export retention plan aimed at reversing the recent price slide - at the end of last week London futures prices were more than 35 per cent below the highs reached in the summer. Although many traders were

sceptical about the plan, which would take about 20 per cent of supplies out of the market until more remunerative price At the London Metal levels were restored, the March position at the LCE leapt \$218 a tonne on the day. By yesterday's close it was still \$153 up on the week at \$2,791 a tonne. The producers were "strong on words", one trader told the Reuters news agency on Wednesday, "but are not likely

> to be as strong when it comes to shipments. . . There is little incentive for them to withhold coffee at current prices". The producer move focussed dealers minds on the state of the market, however, and they sion that the sell-off following US Department of Agricul-

> ture's recent report on the world crop situation, had been overdone. Another bearish pronouncement by the USDA - suggesting that world consumption of coffee in 1994-95 would be 3 to 4 per cent below its June forecast (before frosts and drought in Brazil drove up prices) sparked off a \$75 price retreat on Thursday. But buyers were attracted back yesterday after

the Central American plan. Cocoa prices made slow but steady progress meanwhile. until they were trimmed back marginally yesterday. The March delivery price at the LCE ended down £3 on

on the weel Much of t encouraged the expiring position, 1

_ _					9
	Change on week	Year	High	Low	
	+0.50	\$385,50	\$398,50	\$369.50	7
	-1.00	335.90p	384.50p	308.50p	í
	+22.5	\$1104	\$1966.0	\$1107,50	
	-68.5	\$1773.5	\$3065.0	\$1731.60	- 1
	+0.25	\$465.0	\$675.0	\$426.0	- !
	-80	\$5277.5	\$8830.0	\$5210.0	1
	-6.0	\$977	\$1186.5	\$900.5	1
	-100	\$4817.5	\$8270.0	\$4730.0	2
	+23	2929	£1124	2859	- 1
		A			_

premium ov tract from course of the week. Richard Herman

E METALS		Pn
	EXCHANGE	# 6
from Amelgemeted	अध्यक्ष । अध्यक्ष	

Prices from Amaga		
E ALUMNIUM, SO.	PURITY & DE	or torme)
	Gueth	3 mility
Cione	1915-16	1943.5-44.0
Previous	1907-8	1940-41
-Batylow		1944/1934
AM Official	1915-16	1943.5-44.0
Kerb close		1935-6
Open int.	NA	
Total daily turnover	N/A	
E ALUMENSUM ALL	OY & per tonn	•)
Cioso	1830-40	1870-75
Previous	1840-50	1880-90
I-Eghylow		1880-1870
AM Official	1830-40	1870-75
Kerb close		1875-95
Open Int.	N/A	
Total daily turnover	N/A	
H LEAD (\$ per tores	9	
Close	639.5-40.0	858-58. 5
Previous	648-48	684-85
Highylow	039.5-639	660/666
AM Official	639.5-40.0	658-58.5
Kerb close		659-6 0
Open Int.	NA	
Total deliy tumover	N/A	
MICKEL (5 per ton	mej	
Close	8480-90	8635-40
Previous	8635-45	8890-700
Highviow		8690/8630
AM Official	8480-90	8635-40
Kerb close		8630-40

N/A N/A TIN (\$ per tonne) **595**0-55 **60**10-15 60000-50

Total daily turnover E ZBIC, special high grade (\$ per tonne) 1104.5-6.6 1131.5-32.0 1115-18 1142-45 Previous 1142/1130 11045-5.5 1131.5-32.0 Karb close 1132-33 M COPPER, grade A (\$ per torune)

Previous 3009-10 2981-82 High/low 2973/2960 AM Official 2069.6-70.0 Kerb gloss Indonesia said it was backing LIME Closing £/\$ rate: 1.5485

IN HIGH GRADE COPPER (COME)

			1			Open	
l at £993 a tonne,		Class	change	100	TOTAL	int.	1
the day but £26 up	Dec	136.05	-1.00	137.40	138.00	2,383	7
<u>k.</u>	Jee	136.10	-0.85	137.00	136,00	2,537	- 1
the buying had been	FIRE		-0.80				
by the tightness of			-0.78	135.60	134.40	29,449	3,5
_	Apr	130.70	-0.80	•	-	841	
g December futures	May	129.20		129,40	128.50		- 1
which widened its	Yotel					F1,662	5,6
ver the March con-							
£15 to £21 over the							

PRECIOUS METALS III LONDON BULLION MARKET vices supplied by N M Rathschild \$ price 381,10-381,50 381,20-391,60 pening laming ilk 381,30 248,577 Stempoon for 381,40-381,80 wy's High 381.10-381.50 MAY'S LOW 381.40-381.80

12 months _____8.52 __5.25 Silver Fb; 475.25 3 months 481.80 316.35 6 months 489.65 328.00 507,55 1 year **Gold Coint** \$ price P souly. 382-385 247-250 Krugerrand 392.00-394.50

US INTEREST RATES

COMMODITIES AND AGRICULTURE recious Metals continued GRAINS AND OIL SEEDS GOLD COMEX (100 Troy at; \$/troy at) WHEAT LOE (2 per torine)

ENERGY E CRUDE OIL NYMEX (42,000 US gatte, \$/barrel) 17.18 17.07 55,782 17.18 21.343 17.20 12.631 17.31 +0.01 17.31 17.28 26,881 2,762 - 17,35 17,35 13,122 1,133 367,811 40,454 III CRUDE OIL PE di/barrel 15.90 25.582

15.99 8.818 # HEATENG OIL MYMEX (42,000 US galls.; crUS galls.) S POTATORS LCE (Cronne) 48.45 48.25 47.401 48.60 26,122 1,471 48,00 48,50 15,242 -0.08 48.35 48.20 7,894 48.05 -0.16 48.05 47.95 7.270

THE GARD OUT IN CAMPAGE 146.75 -0.50 147.00 147.00 1,801 147.90 -0.25 147.90 147.00 6.970 99,140 7,466 M NATURAL GAS MWEX (18,000 mmBhr; \$/mmBhr) £ equiv.

> 1.593 +0.003 1.595 1.580 17.975 1.588 -0.002 1.590 1,580 9,979 1,595 -0.015 1,600 2.435 1.815 -0.015 1.615 1.615 7,878 1,635 -0,015 1,640 1,635 8,309 636 E UNILEADED GASOLÎNE · MYMEX (42,000 US galls.; C/US galls.) -0.37 51.40 50.85 20.095 4.893 -0.06 51.75 \$1.50 8.656 1.225 -0.07 54.70 54.65 9.502 -0.32 54.09 53.90 5,441 · 6432 5432 1,314 118 59,598 16,778

> > 1.58 1.82 2.14

UK GILTS PRICES

0.94

Treasury (30s and Sond Yields

SOFTS S COCOA LCE (Efforing

M COCOA (ICCC) (SDR's/zonne) 173.78 +0.58 175.08 173.50 2,254 1,539 173.50 -0.85 175.25 173.26 2,837 1 173.60 +0.30 174.75 173.40 293

COFFEE (ICO) (US cente/pound) III No7 PREMIUM RAW SUCAR LCE (contu/foc) 27.85 +1.00 27.85 28.84 36.844 10.222 26.79 +0.92 26.85 25.80 19.405 2,201 28.17 +0.75 26.25 25.40 10.976 25.72 +0.59 25.90 25.15 2,598 25.30 +0.50 25.70 25.00 2.416 SOYABEAN MEAL CET (100 tons; Store

1732

-2.4 175.1 172.5 1,768

173.3

WHITE SUGAR LOE (\$/torms) 411.60 +4.20 412.80 412.00 12.035 406.60 +5.60 407.00 406.50 5.397 383.00 45.00 383.00 383.00 1.860 355.10 +5.30 365.20 365.10 # SUGAR '11' CSCE (112,000bs; carts/ba) +0.06 15.11 14.97 37,423 2,516 - 14.76 14.83 24,507 +0.02 13.76 13.85 27,293 - 13.02 12.97 6.806 - 1290 1290 2088 E COTTON NYCE (50,000ths; cents/this 88.33 +1.76 88.46 88.50 12.854 2.638 86.91 +1.66 87.00 85.17 7,977 2,145 75.98 +0.48 78.00 75.50 1.821 72,70 +0.30 72,75 72.34 7,400 1,301 ■ ORANGE JUICE NYCE (15,000fbs; cents/fbs) 115.95 -0.20 117.00 115.25 7,200

126.00 -0.60 127.00 126.00 129,00 -0.80 129,25 129,00 2,424 Zealand, and prices were generally a little firmer. The official market indicator closed 7 **HOLLINE DATA** Open interest and Volume data shown for cents higher at 517 cents a leg. and only 11% contracts traded on COMEX, NYMEX, CET, NYCE, CASE, CSCE and IPE Crude Oil are one was unsold at growers' reserves, a little better then recent clearances. Wool madests for some cley is arregan." weeks have managed to hold firm, and closed firmly before the Christmas rucses, desoits some loss of confidence in the strongly rising price trend which applied for most of 1984. **INDICES** There is uncertainty about price changes ahead. Statistically the evidence points to # REUTERS (Base: 18/9/31=100) strength in the outlook, but there is powerful resistance to price rises already established in Dec 22 primery meritets, but not yet passed on to 2142.9 2225.5 consumers. The problems in absorbing raw I CRB Futures (Base; 1967=100)

Brant Bland (dated) Brent Blend (Feb) W.T.I. (ipm est) IN OIL PRODUCTS Mileprompt delivery CIF florms Gas Of Heavy Fuel Oil Jet fuel OTHER Gold (per troy oz) Silver (per tray ox) Plethum (per troy oz.) Paliacitum (per troy oz.) Copper (US prod.) Lead (US prod.) 118.95 -0.55 121.40 119.45 12,820 1,202 The Ocusta Lumpur) 123.00 -0.50 124.25 122.75 2.076 The (New York) Cattle tive weighti Sheep give weight! - - 1,679 27,843 2,455 Lon. day sugar (ray Lon, day augar (who Tate & Lyle export Sarley (Eng. feed) Malzo (US Nos Yellow) Wheat (US Dark North) Pubber (Jan)♥ Pubber (Feb)♥ Coconut Of (Philis Palm Oll (Maley.)

HI US TREASURY BOND FUTURES (CST) \$100,000 \$2nds of 100%

+0-03

40.750 14.91 275.5c -2.00 125.84p 127.35p +11.77" 84,44p 43.30 \$388.80 +2.00 \$415,00 2354,00 Unq. 2132,0 2165.0 101,00p 100.50p 387.0m \$690.0y \$705.0z Copra (Phil)§ \$435.0a 2173.0z Scryabeans (US) 85.68c Cotton Cutlock'A' Index Vicoltope (64e Super) £ per tonne unless attenelse stated, p pencerleg, c centerlis, r ringgitrieg, m intelepaten centerlieg, y Jen/Feb, v Naw/Dec, tr Feb, ž Jen, q Dec/Jen ♥ London Physical, § CIF Robertten, § Bullion market class. ♦ State filtre weight priced, "Change on week € Prices are for previous day.

Coupon 6.500 8.32 9.07 8.90 Beigium Canada 8.32 9.05 7.750 10/04 95.2000 9,000 12/04 99.5500 7.000 05/98 100,7000 7.61 11/04 4.57 4.60 4,100

10.000 6.000 8.45 8.750 8.47 9.000 10/08 6.48 100-05 95-30 84.1600 7.875 11/04 7.80 7.83 +6/32 7.86 8.52 7.86 8.50 7.500 11/24 6.000 Landon closing. Their York mid-day † Gross (including watholding text at 12.6 per Proper US, UK in 32nds, others in decimal Yelds: Local market standard.

ECONOMIC DIARY - FORWARD EVENTS

TODAY: Joint session of both houses of Russian Parliament to discuss crisis in Chechnya. Kyrgystan votes for a twohouse legislature. Bangladeshi opposition parties plan countrywide blockade of rail, road and waterways. Turkey's coalition partner Social Democrat Populist Party holds extraordinary congress to decide on merger with rival Republican Peoples Party.

TOMORROW: Christmas Day. Uzbekistan parliamentary elections. Peace conference in Hargeisa, Somalia,

MONDAY: Boxing Day.

TUESDAY: UK markets closed. US Conference Board issues consumer confidence indicator for December. US existing home sales (November). Hungarian parilament is expected to pass 1995 budget.

WEDNESDAY: Central African Republic holds referendum on new constitution. Central executive committee of the ruling Pakistan People's Party meets in Islamabad, Opposition mem-

bers due to resign from Bangladeshi parliament unless government accepts demands for fresh elections under neutral caretaker government. Mr Kenneth Clarke, chancellor of the exchequer, meets Mr Eddie George, governor of the Bank of England, for their monthly discussion of monetary policy.

THURSDAY: The Department of Trade and Industry publishes figures for energy trends (October). US leading indicators (November). RJB Mining and Powell Duffryn hold extraordinary general meet-

FRIDAY: Central Statistical Office issues monthly digest of statistics for December and economic trends figures for December. British Banking Association gives statistics for the mortgage lending of the major British banking groups in November. US new home sales (November). Mr Kenneth Clarke, chancellor of the exchequer, starts a tour of Malaysia, Thaliand and Vietnam to drum up business for the UK financial services industry.

DO YOU WANT TO KNOW A SECRET? The LD.S. Genn Seminar will show you how the markets REALLY work. The emezing tracing techniques of the legendary W.D. Gastn can excreede your profits and contain your losses. How? That's the socret. Fling 051 474 0090 to book your FREE place.



BOND FUTURES AND OPTIONS France MI HOTIONAL FRENCH BOND FUTURES (MATIF) Est vol. Open int. -0.24 110,48 109,88 110.60 110.48 110.48 2,733 109.88 109.88 109.88 III LONG TERM FRENCH BOND OPTIONS MATTE IN NOTIONAL GERMAN BUND FUTURES (LIFFE) DM250,000 100ths of 1005

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IN BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Spain M NOTIONAL SPANISH BOND FUTURES (MET) Low 84.73 38,131 UK IN NOTIONAL UK GILT FUTURES (UFFE) 950,000 32m/s of 100% 102-30 102-30 Dec Mar 1867 104020 102-05 102-08 102-11 102-04 Jun 101-08

1-47 99-08 99-03 99-08 99-01 III NOTIONAL LONG TERM JAPANESE GOVT, BOND FUTURES (LIFFE) Y100m 100ths of 100% IN ECU BOND FUTURES (MATE)

FT-ACTUARIES FIXED INTEREST INDICES Up to 5 years (24) 2 5-15 years (22) 3 Over 15 years(3) 4 irredeemables (5) 6 All stocks (60) 119.38 140.68 158.27 180.51 137.52

material price increases are not confined to

wool or to textiles and trade opinion is that a

further price rise would not make things easier.

III LONG GILT FUTURES OPTIONS (LIFFE) 250,000 64ths of 100%

Up to 5 years (2) Over 5 years (11) All stocks (13) Low Dec 23 Dec 22 5.57 (19/1) 6.30 (20/1) 6.41 (20/1) 6.62 (24/1) 8.68 8.71 8.64 6.64 6.66 9.16 (20/9) 9.25 (20/9) 9.09 (20/9) 9.44 7.18 10.07(20/3) 7.19 (10/1) 9.39 9.38 7.51 9.98 (20/9) 7.39 (20/1) 9.34 9.33 Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7%%; Medium: 8%-10%%; High: 11% and over, † Flet yield, ytd Yest to date. FT FDXED INTEREST INDICES **GELT EDGED ACTIVITY INDICES** Dec 23 Dec 22 Dec 21 Dec 20 Dec 19 Yr ago High" Low Dec 21 Dec 20 Dec 19 Govt. Seca. (URQ 91.79 91.77 91.94 91.90 91.90 107.19 107.04 89.54 109.84 109.79 109.72 109.87 109.72 131.46 233.87 106.50

8.26 96% 8.34 9543 8.49 11512 8.30 12212 8.50 1113 8.44 105210 8.53 11284 8.47 1673 8.44 1052 Prospective real redemption rate on projected inflation of (1) 10% and (2) 6%, (b) Figures in parentheses show PPI base for indexing \$6 8 months poor to leave) and have been adjusted to 7,48 7,00 12,08 12,66 10,78 9,17 10,84 9,78 4,81 reflect rebesting of RPI to 100 in February 1987, Gormection factor 3.945, PPI for April 1994; 144.2 and for November 1994; Exch 12pc 1886______ Trees 9²zpc 1**800**‡‡_____ Conv 900 in 2011 ##___ 8.56 Other Fixed Interest 8.54 7.36 8.29 8.23 8.40 8.10 8.35 9573 8.35 943.st 8.33 1044 8.36 1313 74pp 2012-15# hat Bed Price E + er-Trans 84 pc 2017##...... Buck 12pc 2013-17......

Trees Got 1996 ## ____ Fire to Figure Years 8.52 106/2 - 99/2 8.44 97/3 8.48 102/3 8.63 106/3 8.63 106/3 8.54 82/3 8.44 106/2 8.57 96/3 8.64 106/2 8.76 112/2 2.17 8.61 10.62 9.60 7.60 2.19 8.26 8.24 10.19 10pc 2001 7sc 2001 ##-8.50 8.27 8.41

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6.FT Cityline Unit Trust Prices are aveil	lable over the telephone. Call the FT City	FT	MANAGED F	UNDS SERVI	CE		
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UNIT TRUSTS	Britannia Life Unit Managers Ltd (1999)	Dunadio Unit Tat Hingra Ltd (1200)	Gartingere Fund Managers (1200)/F Contains House, 16-18 Managers Street Leaden ECSR SAJ (971-782 2000)	SINTESCO Fund Managers Ltd - Contri	Manufijo Management Lini (1000)F St George's Way, Surveyage Desires Co. 247414	Morgan Grenicii Inpest Fds Ltd - Contd.	Old Statuted Cornel Management 1 to Cornel
Corpe Total Point of Man		State Stat	Dealings grig-0277-79442) www.chr Sendow: Franchese 1960)-289	Supplement Sup		Norman Granicii invest Fits List - Gontsi,	Person that Transc. ANN Ground Equity
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SOLE	Cyston Way, Stevenogo, Hurte SC1 (20%) (458 744840) Growth Inc. 6 65.79 99.35 (b) 3.1 Growth Acc 6 63.65 (c) 3.1 High Income 6 32.25 34.20 (d) 4.7	Sta Treet 3 80.58 82.89 -0.82 8.37 (Accus Units) 3 85.18 87.82 -0.82 8.37 (Accus Units) 52 128.24 128.4 +1.49 0.00 (Accus Units) 52 120.24 128.4 +1.89 8.00	Constant	Section Sect	FT MANA	GED FUNDS	SERVICE
Capital - 48 Ca	Sneller Cas Mc	Francisco & Growth 5 180.74 192.2 2.32 180.74 192.2 2.32 180.64 180.2 2.32 180.64 180.0	191.2 200.8 +0.2 1.27	Hi Am Sat Cas 4 Rec Age . 8 132.10 140.00 +0.00 -0.10 0.52 Pacific Busin Age 6 263.60 279.80 -0.10 0.52 Smelly Cas & Rec Inc. 5 340.80 358.80 +1.10 2.04			
Smir Chains 514	Pacific Bearryl	Process Links 5 188.3 180.6 -1316 0.00 Alge Distribution Inc. 5 C 46.331 48.97 48.92 4.74 Alge 4.74 Alge 1.74 Alge 1	String Kong Girdt 51, 94.14 100.5 -1 1.00 Spore & Mysis Bith 51, 76.26 52,39 +1.44 - Digar Index 61, 205.1 218.9 +8.1 10.21	1865.00 1860			
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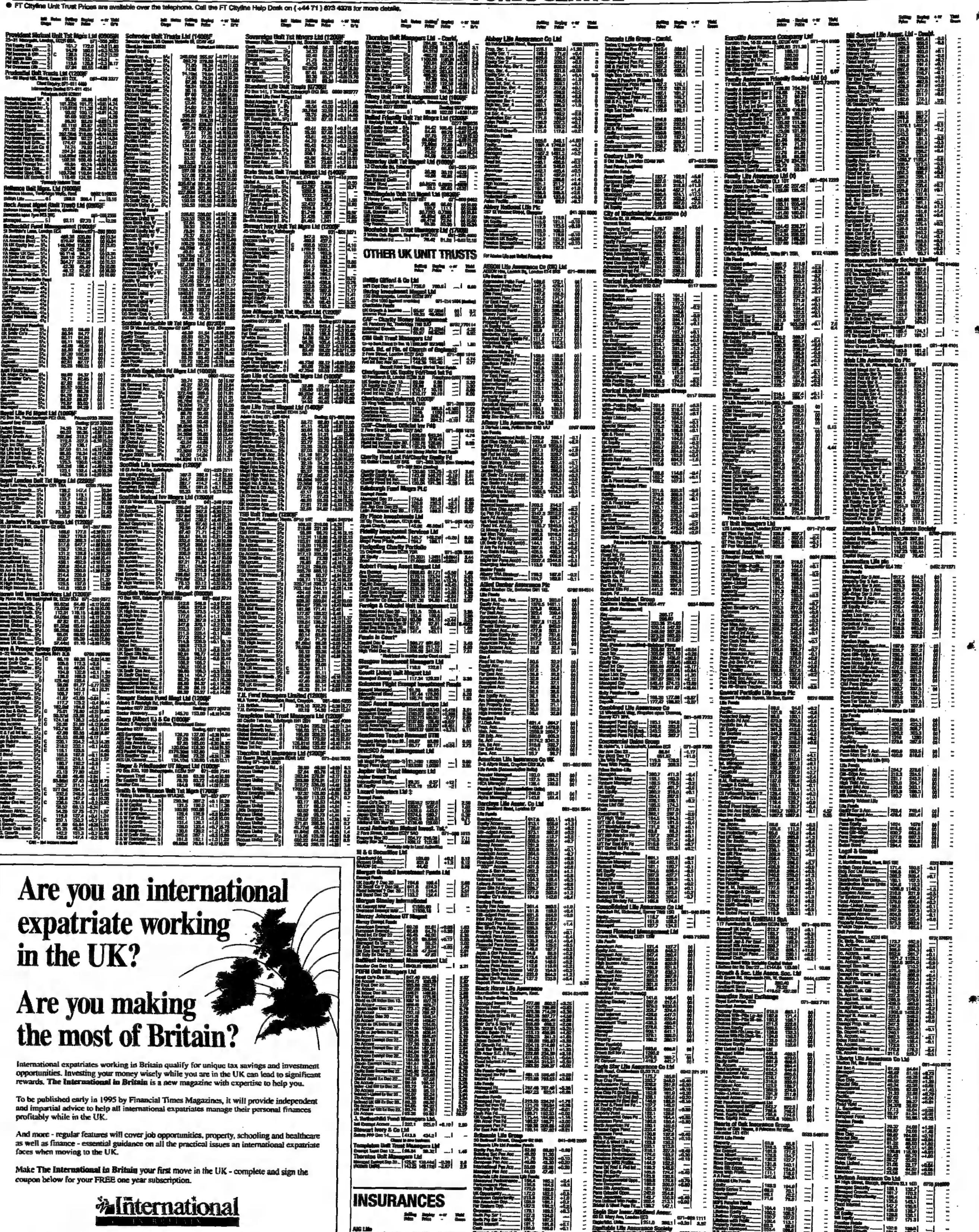
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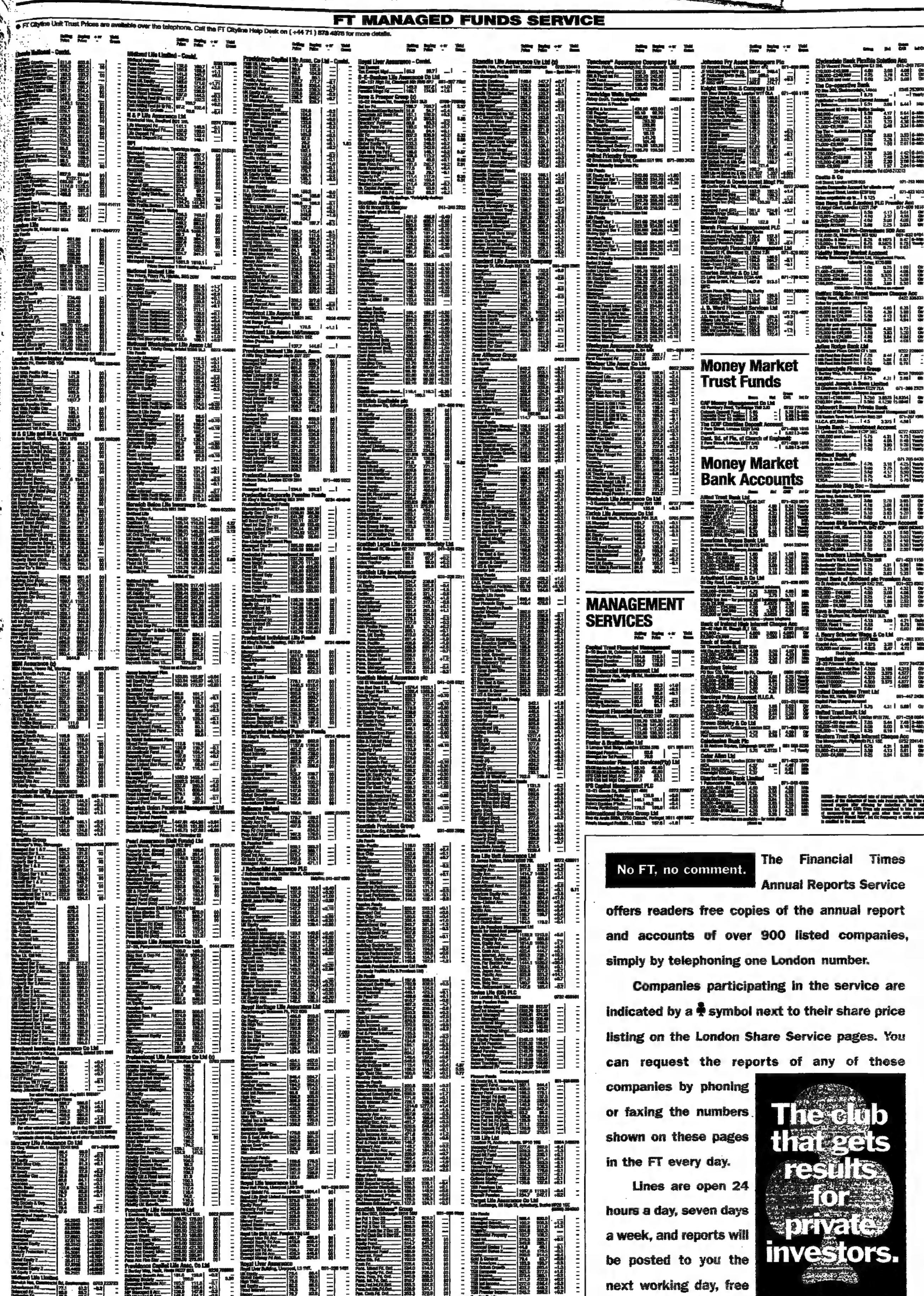
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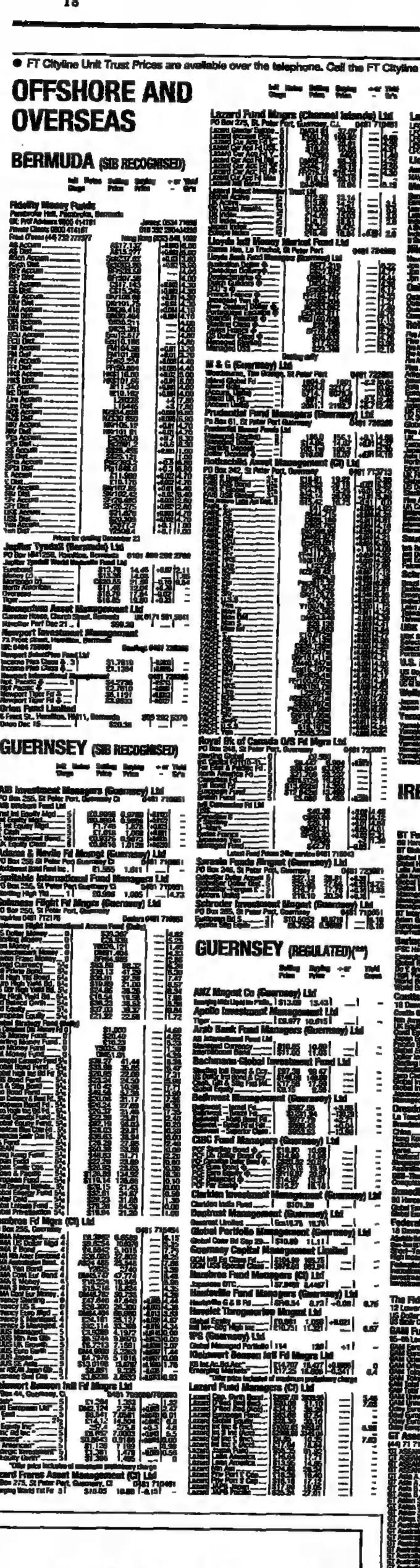
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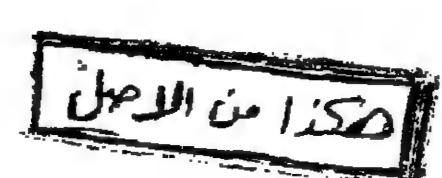
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For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given

Fluie 4.2(a) stocks are not regulated by the international Stock Exchange of the United Kingdom and the Republic of Ireland Ltd. ‡ Bargains at special prices. Φ Bargains done the previous day.

Leads Permanent Building Society 7%% Nix

Leads Permanent Building Society 11¹2% No. 1988 (Br £5000&100000) - £104¹8 (200e84)

Leads Perminent Building Society Colleged RtgRteNte 2003(Reg Music1000) - 294 (190a94)

Lands Permanent Building Society Colleged Fing Res Nos 2003 (Gr C Var) - \$24 (190694)

Marks & Spencer Finance PLC 73/9% Gtd No.

National Grid Co PLC 73:1% Bds 1998 for 9

National & Provincial Bidg Society 1996 Min

National & Provincial Bidg Society 84% Nts 1996 (Sr C Var) - 297 2 (210e94)

stional Westminster Bank PLC 11¹2% Und

lational Westminster Bank PLC 112% Und-

1985(2):21000\$10000) - 2100.74 (19D=64)

SubNita £1000(Criv to PrijReg - £105124)

SubNts £1000(Cmr to PrijBr - £1054)

Ntm 2000 (Br 210000) - 21167

New Zealand 1032% No. 1895

18:5C10008.100000 - \$C100124

Norsk Hydro AS 91/16 Nbs 2003 (Sh £1900&10000) - £10012 (16De94)

Northern Rock Building Society 105/96 Subord Sds 2018 (Br 2 Vm) - 2104.2

Northumbrian Water Group PLC 91,56 Bda 2002 (Sr C Var) - 2991, 1, (160e94)

Pacific Bectric Wire&Cable Co Ld 34% 8ds

Pearson Sterling Two PLC 9.5% Gtd Bds 2004(Erc Vers) - £100(2 (200e84)

Prudential Finance BY 938% Gtd 9ds 2007

RMC Capital Ld 8-96 Criv Cap Bds 2006 (Br

(BrE5000&100000) - £100{} (16D+64)

1996(BrC5000&100000) - 29414 3 12 (21De94)

Suborci Gtri Nts (Er:EVertous) - 281

Rothschilds Continuation Fin(C.BLd9% Perp.

Royal Bank of Scotland PLC 912% Undeted

Royal Bank of Scotland PLC 10,5% Subord

Royal Bank of Scotland PLC 1052% Subord

5ds 1996 (Br£5000&25000) - £103.7

Sincere Navigation Corporation 3.75% Eds

State Electricity Comm of Victoria Zero Con-

State Sectificity Comm of Victoria Zer-oConGtdnts2000(Br\$A1000,1000(8.100000)

Gtd A Nto 2001 (Br \$A Var) - \$A53.7

Sweden/Khadom of 114% Eds 1995(E

Tate & Int Pinence PLC 8% Gtd 9de

(Br 25000) - 285¹2 (21 De94)

Tarmec Finance (Jersey) Ld 91₂% Cav Cap Bds 2006 (Reg £1000) - £96

1989(8-210000&100000) - 295% (21De94

Tate & Lyle Int Fin PLC 53/96 Gld Bds 2001

Tatalists intfin PLC/Tatalists PLC 63,96

Teletrom Malaysia Berhad 4% Cnv Bds.

Teaco Capital Ld 9% Criv Cap Bds

Gld 8da 2001 - \$106.3 (20Da94)

T&LINFOGGERIA 2001(BH) WAVESTALPLC -

2004(Reg\$5000) - \$90 (21De94) Teaco PLC 103:16 Bds 2002 (Br 2Var) - 2105

Teaco Capital Lt. 9% Cay Gap Bds 2005@ep

2005(8:25000&10000) - £1124, (21De94)

38 International SV 73,96 Gtd Bda 2003 (Br 2

Taloro Electric Power Co Inc 71e% Nes 1996

Toyota Motor Corporation 6%% Bds 1997(Br SVer) - \$87% 97% 97% (160e94)

Trans-Toloyo Bay Highway Corporation5.75% Gtd Bds 2003 (Br \$ Var) - \$84¹2

Treasury Corporation of Victoria 84:96 Gtd

U-Ming Marine Transport Corporation 1 2%

8ds 2001(Reg in Mult \$1000) - \$110¹2

United (Graden 74% Bds 2002(Br\$Var) -

United Kingdom 81/4% Treasury Nts 24/1/95 (Br ECU Var) - EC100.03 (200494) United Kingdom 91/3% Bds 2001(Br

ECU1000,10000&100000) - EC1024

Workin Water Utilities France PLC 7*2% GR Bds 2004 (BrEVarious) - £85.9 (160e94) Workich Building Society 11% Nts 1996(Br£1000&10000) - £103-k Woolwich Building Society 11*2% Subord Nts 2001 - £109-k 12 12 (160e94) Woolwich Building Society 10*2% (160e94) Nts 2017 (Br £ Ver) - £102% (160e94)

Burolima ECUT70m 8,125% Dobt Ins 20/12/ 99 - EC99's 99.73

Helifax Building Society £150m 77,96 Nts 14/ 4/2000 - £951_a (210e94) New South Weles Tressury Corp \$43.4m

12% Gidbai Bds 1/12/2001 - \$A107.584

Oesterreichische Kontroffbank AG \$400m 7,5% Debt Sec 15/11/99 - \$98% (210e94)

Queensiand Treasury Corp \$A80m 5.75% Nts 13/1/99 - \$A85.133 (210e94) SBAB SC10m Rtg Rts Nts 22/12/95 - (95% Swaden@angdom of) 2600m 7¹2% Nts 3/12/ 97 - 297%

Sweden(Grigdom of) \$250m 7% Instruments
33/12/98 - \$33% (190e94)
Sweden(Grigdom of) \$350m 7%% 8de \$8/7/
2000 - \$33% (200e94)
Sweden(Grigdom of) \$5000 7%% No.
2000 - \$600% 96% (190e94)

Corporation Stocks - Foreign

Sterling Issues by Overseas

Bank of Grace 104% Ln Str 2010(Reg) -128% (180494)

Calase Nationale Des Autoroutes 18% Gtd. Ln Stk 2008 - £152%

European Investment Bank 8% Ln Stk 2001 (Fleg) - \$1005a 154

European Investment Bank 012% Lin Sik

European Investment Bank 10-1/46 Ln St. 2004(Reg) - C10911 (21De94) European Investment Stank 10-1/46 Ln Stk 2004(Br 25000) - C10911 (21De94)

Portugal(Rep of) 9% Lri Str 2018(Reg) -£99¹4 100 (180e94)

Pipe Line Sta 2007 - \$144 g

Listed Companies(excluding

ABF Investments PLC 512% Une Ln 88k 87/ 2002 Sop - 38 (200x84)

Investment Trusts)

European Investment Bank 11% Ln St. 2002(Reg) - £111% (21De94) New Zestand 114% Sik 2008(Reg) - £1174

41276consSin12(now 112%) - £12 (16Da94)

New South Wales Treasury Corp \$A34m 6.5% Global Exchange 9ds 1/5/2006 -

\$95.45 (20De94)

108,454 (20De94)

\$A73.55 (21De94)

Borrowers

2009 - 2106 4

6ds 2003 (Br 2 Var) - 296 2 (21Da94)

Tharnes Water Utilities Finance PLC 1012%

- \$A58.8 (20Du94)

(19De64)

21}-2117 5 484

Var) - 9901 t (210a04)

(Br 2 Var) - 295& (21De94)

25000) - 21007 (19De94)

Seinsbury(J) PLC 8¹2% Bds 1996 @r

\$5000\$100000) - 2120 (16Da94)

2003 Gr 5100008-100000 - \$10212

Subord Bds (8r 2 Var) - 294 (19Da94)

(5000850000) - £125¹2**\$** RTZ Canada Inc 7¹4% GM Bds

Bds 2013 (Br € Var) - £106

New Zealand 95,26 Bda

(10De94)

National Westminster Bank PLC 11-496

Subord Nto 2001 (Br EVer) - 2/10/2

Licycle Bank PLC 73g96 Subord Bds

MEPC PLC 1044 Bds

2004(Brgvarious) - \$87% 3 (160e94)

בי בי 1012 - (1000810000) בי בי 1012 בי

1998 (Br 2 Var) - 295% (210e94)

Mitsublati Barik Ld 31/2% City Bold

2004(6:510000) - \$106¹2

1997 (Br EVa) - 21024

Leads Permanent Building Society 1012%

Subord Bos 2018 (Sr Ever) - \$10742

1998 (Br £ Var) - £95()

British Funds, etc. Treesury 134% Stk 2000/03 - £1234 Exchequer 10¹2% Str. 2005 - £113§3 Corporation and County

Stocks histol(City of 1112% Red 8tk 2006 - £1164 Duckey Metropolitan Borough Council?% Le Sak 2019 (Fire(F/P) - 280% (200694) Leicester City Council 7% Lt. 8th 2019(Fled 19063 (16Da94) Reading Corp 3% Stk 1962(or alter) - £324 Salford (City of) 7% Lin Silk 2019(Reg) - 980(2

UK Public Boards Agricultural Mortgage Corp PLC 572% Data Stk 93/95 - 19612 (200a94) Sax 83/2003 - 098 (21De94)

Port of London Authority 312% Sik 49/99

,91 (16Dag4)

£81 (20De94) Foreign Stocks, Bonds, etc-(coupons payable in London) Micros GeraestState of/Brazil 61216 30vr Ext Stig Ln 28(A-2¹a%) - 198 Rio De Janeiro(State of)Scart 5¹2% Onv(Stig Lis Bdal/A-now 1 496) - £17 (190494) AMP (U.K.) PLC 112% Bds 2001 (B) 21000.100008100000 - 2110 (200094 Abbey National Sterling Capital PLCB &% Subord Gtd Bds 2004(B/EVars) - £95.45¢ Abbey National Treasury Servs PLC 55% GH NS 1995 (Br SVar) - \$90.827 [190004 Abbey National Treasury Servs PLC 6% Gtd Nts 1999(9-£1000,10000,100000) - £88.95

Abbey National Treasury Servs PLC 612% Ged Side 2003 (Br \$ Ver) - 257.08033 Abbey National Treasury Serve PLC 74:96 Gkd Nts 1998 (Br £ Var) - £96(3 (19De04) Abbey National Treasury Serva PLC 8% Gld Bds 2003 (Br £ Var) - D9213 % (2000)94) Abbay National Treasury Servs PLC 101296 Gto Nts 1997 (Br EVar) - C1037 (20De94) Allied Domecq PLC 107; % Bds 1999@r£5000&1000000 - £104% (210e94) BP America Inc 912% Gtd Nts 1998 (Br £

Var) - £101& (16De94) Bangkok Land (Coymun Islands) Ld 4¹2% Gtd Exch Bds 2003 (Reg Int \$1000) -Bank of Greece 9%% Bds 2003 (Br 2 Var) £92 (19De94) Barcleye Bank PLC 7.875% Undeted Subord Nto (Br £ Var) - £884 (21()+84) Barclays Bank PLC 9% Perm Int Bearl naCopiida(RegintMultiE1) - \$88 (200494) Barcians Bank PLC 9.875% Undated Subord Nto - 29733 81, (210084) Berclaye Bank PLC 104% Sen Sub Bds 199799-21000310000) - 210312 Bartings PLC 914% Perp Subord Nts ##£Various) - 583% (21De54)

Elus Circle Industries PLC 104% Bds 2013 (9:050008.100000) - 2109% (19De84) British Aerospace PLC 10%% Bds 2014 @#£10000&100000 - £106% (190e94) British Arways PLC 912% ND 1997(B-£1000&10000) - £t01 British Always PLC 104% Bds 2008(B-C1000610000) - C108% (21De64) British Gas Inti Finance BV 614% Gtd Bids 2003(8±5Vam) - \$87.92 British Gas PLC 124,96 8ds 1995 (Br£1000&10000) - £1005g (19De94) British Gas PLC 752% Nes 1997 (Br £ Var) -298 (100e94)

British Gas PLC 752% Bds 2000 (Br £ Var) -British Gos PLC 74% Bds 2044(8+£1000.10000.10000000) - £795a British Land Co PLC 121/2% Bds 2016 (B-C100006100000) - C12212 3 British Telecommunications PLC Zero Cpn Bds 2000(Br£10008.10000) - £84%

2003 (Br E Var) - 28912 (210e94) British Telecommunications PLC 124/5 Bds 2006 - 21233 (210684) Burmoh Castrol Capital(Jersey) Ld 91/2% Cov Cap Bds 2006 (Reg 21000) - 21311/2 21/2 1/4 Cable & Wireless PLC 612% Bds 2003 (Br \$ Var) - \$86.85 Cable & Wireless Int Finance BV 85296 Gtd

8ds 2019(BrE Vars) - \$332 (210e94) Cable & Wireless Int Finance BV 101/16 Gtd Bds 2002 @r £100008100000) - £104% Commercial Union PLC 103,56 Gtd Bds 2002 (Br £ Var) - £1063₂ Daily Mail & General Trust PLC 84% Each Bds 2006 (Br£100085000) - £153½ DemmariqiQogdom of) 6¾% Nts 1998 (Br £ Var) - 094.05 (21Da94)

East Midlands Electricity PLC 12% Edg 2016 (Br £10000 & 100000) - £126% Eastern Electricity PLC 8-1/2% Bds 2004(Br2 Aprel - CB112 Bif Enterprise Finance PLC 8% % Gtd Buch (Bds 2006 (Reg £5000) - £294s BY Enterprise Finance PLC 83,96 Gtd Each 8ds 2008(Br25000&100000) - D99 (20Da94

Far Eastern Department Stores Ld 394 Bds 2001(Reg Integral multi \$1000) - \$87-5 Far Eastern Textile Ld 4% Bds 2006(Bi\$10000) - \$11112 (190694) FinlandiRepublic of 9-4% Nts 1997 (Br£ Var) Forte PLC 104% Bds 1998 (BrC100085000) Forte PLC 93/1% Bds 2003 (8/ 2 Var) - 296

(200e94) GESB PLC 8,35% Gtd Sec Bds 2018 (BrC1000) - 192-33 (160-694)
Guaranteed Export Finance Com PLC 105-14
Gtd Bds 2001 (Br2Vm) - 1107-1-1

Guaranteed Export Firstnes Corp PLC Gld Jaro Con Sds 2000(BrC100008-100000) -Guerresa PLC 1052% Não 1937 (Sr £1000 & 10000) - £103.95 (21De94) NSSC Holdings PLC 975% Subord 8de 2018 (Br E Var) - £100.3 (190e84) tahton Building Society 74 % New 1998 (Br E

Var) - 198.7 (210e34) Hakian Building Society 8³e% Nts 1989(812Vars) - 197.59 (2 t210e84) Haldar Building Society 8 to 96 Nov 1997 (GrEVer) - £10012 Hanson PLC 31276 Cite Subord 2008 (Br (1997 - 1934) - 1034는 취임 1997 (Br (1987 - 1997 (Br (1997 - 1997 C10012 (200s94) Hungan Trust PLC 10% Bds 2006 (Br25000) - £1013 £100941 Hydro-Queber 6.50% Debs Sers K 100 st 191 - 191%

International Bank for Rec & Dev 94 % Bids 2007 (BrC5000) - C1025 international Bank for Rec & Day 114% No. haly(Republic of) 1012% Bds 2014 (Britingosser on 10-2-6 box 2014 (Britingossen) - 210712 (180494) Japan Development Bark 6-3-6 Gid 6ds 1999 (Br & Var) - 58513 9512 (160494) Japan Development Bark 7% Cid 8ds 2000 (Br E Var) - 29213 (200494) Japan Fin Corp for Municipal Ent. 6-3-% Gid

Bds 2004(BrC1000 & 10000) - 2141 Japan Fin Corp for Municipal Ent. 712% Gtd Bds 2004(Br\$5000,100000) - \$95.45 Jukas Develop Public Go Ld 4.25% Chy Bds 2003(Reg Denom \$1000) - \$71 (19Dest) Kanesi Floctric Power Co Inc 7¹e* Nts 1996 (Br 2 Yar) - 295²e Kyushu Bectric Power Co Inc 8% Nts 1997 (Br 2 Yar) - 298.38 Land Securities PLC 812% Bds Land Securities PLC 64,44 Chy Bds 2002(Br£1800) - £35½ (200494) Land Securities PLC 9½% Chy Bds 2004

CB-05000850000) - \$108 %

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ABF investments PLC 71/256 Une Ln Sik 87/ 2002 500 - 444 ASH Geolal FinanceLease/Ld 9¹2% Cre Gup Eds 2006 (Fing Units 100c) - 951 Autra Malayaian Growth FundiCayments Ord \$0.01 - \$12.05 @10404 Athert Fisher Group PLC ADR (10:1) - \$6.7 Alexan Group PLC 6.25p (Net) City Quin Red Prf 10p - 54

Affed Domeco PLC ADR (1:1) - \$8.45 Alfed Damecq PLC 5/2% Cum Prf £1 - 55 Fed Dameca PLC 11-2% Deb Stk 2009 -2121**4** 144 Wied Domeco PLC 74.16 Lins Ln Ask 83/98 -E24 (200494) Allied London Properties PLC 10% Cum Pri E1 - 107 (16D+0-4) Affect Landon Properties PLC 103/96 1st Mile Deb Str. 2026 - C111& 13& Allect-Lyons Financial Services PLC81/% GadCm/SubordBdx2008 ReplikitE1900

Alfed-Lyons Phancial Services PLC8%% Gud Criv Subord Bds 2008(Br £ Var) - 229 993 Alvis PLC 5.5% Cmr Cum Non-Vig Red Pr American Brands Inc Shs of Com Str \$3.125 Andrews Syles Group PLG City Pri 50p - 72 Anglian Water PLG 51s % Index-Linked LnSt. 2008(8.2576%) - £130³2 (190e94) Anglo-Eastern Plantations PLC Warrants to such for Ord - 38 Apollo Mettric PLC Sp(Net) Cum Cny Red Prf

10p - 123 (190+94) Anda Property Hidge PLC 10 6/16% 1st Mitg Deb Six 2011 - 2103\f Allwoods PLC ADR (5:1) - \$6% (200s84) Albroads (Pintings) NV \$120 Gits Red City Pri 5p - 91 (200e94) Automated Security(Hidgs) PLC 5% Cm/ Cum Red Pr/ £1 - 62 (190604) Associated Security@Sidge) PLC 6% Cm/ Cum Red Pri 21 - 4552 Automotive Products PLC 8% Cure Pri 21 -Avon Rubber PLC 4,9% Cum Prf £1 - 65 BAT Industries PLC ADR (2:1) - \$13.65

BET PLC ADR (4:1) - \$5,3747@ BM Group PLC 4.6p (Net) City Cum Red Pri 20p - 60 (200e94) BOC Group PLC ADR (1:1) - \$11.38 (210694) BOC Group PLC 124/96 Uma Ln Stk 2012/17 BTP PLC 7.509Net Qm/ Cum Red Pri 10p -178 (190694) BTR PLC AOR (4:1) - \$18.42 (210e94) Balley(C.H.) PLC "B" Ord 10p - 29-2 3 Beriner Homes Group PLC Ord 10p - 101 Berdieys PLC ADR (4:1) - \$384, (200e)0, Berdieys Bank PLC 12% Une Cap Ln Sik 2010 - £1184 (19D494) Berdon Group PLC 7.25p (Net) Cnv Red Prf 25p - 74 (19De94) Section Group PLC 11.25p Curp Red Pri 2005 10p - 97 8¹2 Berings PLC 8% Cum 2nd Pri 21 - 961s

Barrato Exploration Ld Ord R0.01 - 190 Barr & Wallace Arnold Trust PLC Ord 250 -Bass PLC ADR (2:1) - \$16.45 (19De94) Bass PLC 412% Uns Ln Stk 92/97 - 289 Been Investments PLC 7-156 Une Ln Stk 92/ 97 - \$96 (21De94) Batteys PLC 10% Cum Prf £1 - 103 (76De94) largemen d-y AS "B" Non Vtg Stts NAC2.5 ~ NAC 157.9 8 8 .46 9.034 .17 Birmingham Midshires Building Soc 97/96 Perm int Bearing Star 21000 - 290 1 Blackwood Hodge PLC 4.7% Cum Prf 21 -30 (190694)

Burings PLC 94/16 Non-Cum Pri 21 - 11512

- 184 4, 20 (21De94) Blue Circle industries PLC ADR (1:1) - \$4.4 4.48 4.55 Boots Co PLC ADR (2:1) - \$15.2 Bowthorpe PLC 7% Uns Ln Stk 90/95 - 295 Bractiond & Bingley Suitcling Society 1134 4 2 Perm Int Bearing She £10000 - £1134 4 2 Bractiond & Bingley Building Society 13% Perm Int Bearing She £10000 - £1264 Bractiond Property Trust PLC 1032% Cum Pri £1 - 121 (190004)

Brent Walter Group PLC Was to Sub for Ord Brent Walker Group PLC 8.5% Str. Non-Cum Cay Red 2007/10 E1 - 112 Brician PLC 8% Cum Prf 60p - 30 (21De94) Bristol Weter PLC 84:56 Cum lad Pri 21 -Bristol Water PLC 4% Cone Deb Stk Incl. 841 2 (21De94) Bristol Water Hidgs PLC Ord £1 - £10.3

Bristol Water Hidgs PLC 6.75% Cum Chy Red Prf 1998 Shs 21 - 185 Bristol & West Building Society 137:96 Perm Int Bearing She \$1000 - \$128 (210:84) Britannia Building Society 13% Perm int Bearing She 21000 - 21244 4 12 British Airwaya PLC ADR (10:1) - 998 .03 % British-American Tobacco Co Ld 5% Cum P Stk £1 - 53 Sritish-American Tobacco Co Ld 8% 2nd Cum Prf Stk £1 - 62 (160e94) British Petroleum Go PLC 8% Curn 1st Prf 21 - 84 (20De94) British Petroleum Co PLC 9% Cum 2nd Pri British Steel PLC ADR (10:1) - \$24%

British Sugar PLC 104,% Red Deb Sik 2013 - \$1152 4 (21De94) Brixton Estate PLC 9.50% 1st Mig Dab Sti 2026 - £101-k (20De64) Britton Estate PLC 1052% 1st lifty Deb Sik 2012 - £112.425¢ Budgtr(A.F.) & Co PLC Ord She 5p - 62 6 (210a94) Bulmer(14.P.)Hidgs PLC 81;% 2nd Cum Prf £1 - 1021₂ 31; Burg! PLC 7% Cav Une La Stk 95/97 - 298 Burmah Castrol PLC 74,% Curs Red Prf 21 -Burton Group PLC 8% Cay Une La Stk 1998/ Burtonwood Brewery PLC 7% Cum Prf 21 -Butte Mining PLC 10% (Net) Care Red Pri 1994 10p - 3¹2 Cambridge Water Co Cons Ord Stic - £7600

(16De64) Capital & Counties PLC 97/16 1et Mtg Deb Sik 2027 - \$106\$ 65\$ Capital & Counties PLC 11456 1st Mitg Dab Stk 2021 - £1194 814 Garcio Engineering Group PLC 101216 Curti. Red Prf E1 - 100 (190e94) Certon Communications PLC ADR (2:1) -Certain Communications PLC 772% City Subord Bds 2007(Reg 25000) - £135 614 Caterpliar inc She of Com Stk \$1 - \$535₈ 7

Citing international Hidge PLC 10¹2% Cum Pri St - 113 (200e94) Chartwood Alience Hidgs Ld 712% Uns Ln Sik 50p - 34 (21De94) Chelterheim & Gloucester Build Soc 1114% Perm Int Bearing Shs 250000 - 2116 12 14 City Site Estates PLC 5.25% Gry Cust Red Pri £1 - 87420 Clayfilline PLC 9.5% Subord Criv Una Ln 8tk 2000/01 - 290 (19De94) Clayeland Place Holdings PLC 5% Red Deb Stk 2000 - 185 (21De84) Cleveland Place Holdings PLC 3-k% and Deb Str. - £38¹2 (160±64) Cosstal Corporation She of Corn Str. \$0.23 1/ Coata Pagons PLC 412% Una Lin Sak 2002/07

Costs Patons PLC 63/16 Une Ln Stk 2002/07 - 275 81 (200e94) Coats Viyella PLC 4.8% Cutt Pri 21 - 64 (210e94) Cohen(A.) & Co PLG Non.V "A" Ord 20p - 485 90 Commercial Union PLC 83256 Cum Ind Pri Commercial Union PLC 81/26 Cum land Pri Go-Operative Blank PLC 9.25% Non-Qum Ind Pri C1 - 1121₂ (21De94) Cookson Group PLG 4.9% Cum Prf St - 69 Cooper (Fracterick) PLC 6.5p (Net) Criv Red Curn Pay Prf 10p - 87 (200694) Courtaulds PLC 51₂% Uns Ln Stk 94/96 -Courtesida PLC 74% Uns La St. 2000/05 -Courtainte Clotting Brands Ld 7¹2% Cum
Pri Sti. 21 - 73¹2 6 (190e94)
Covertry Building Society 12¹4% Perm interest Bearing Sha 21000 - 2115¹4 (210e84)
Denotra PLC 8.25% Cum Cnv Red Pri 21 -

Development PLC Ord 10p - 87 (ZIDe94) Dominion Energy PLC Ord 5p - 11¹/₂ Dower Corp Com Sti; \$1 - \$5214 Dunlop Plantations Ld 8% Cum Prf E1 - 60 Ecclesiastical Insurance Office PLC10% Red 2nd Cum Pri £1 - 107 (20De94)

© Oro Mining&Explaintion Co PLC Ord 10p -500 (21 De94) Emess PLC 6.25p(Net) Cav Cust Red Pd Sp Entaku Stones Group PLC 9¹4% Deb Sik 94/ 99 - 299¹2 (16De94) Ericszon(LML)(Telefonskilebologe()Ser

P(Reg)SK10 - SK418.11 4 .745 9 9 .02 1 12 .91 20 4 4 .34 12 12 4 1 1 4 2.28 .26 Estates Property Investment Co Ld 10% 1st Mg Oab Six 2011 - £88 (20049) Euro Disney S.C.A. Stre FRS (Depository Receipts: - 120 1 2 4 2 5 5 Euro Olsney S.C.A. Str.s FR5 (Br) - FR10.45 .45 1₂ 1₂ .535 .54 .55 **Eurobannel PLC/Eurobannel SA Units** (Shoowern tracetours) - FR23.12 .15 .36 \$2 .51 .55 .55.49 .6 .6 .61 .65 Eurobarnel PLC/Eurobarnel SA Prict WhitePLC & 185A WithSub forUnited -215 (1904)49 Ex-Landa PLC Warranto to sub for Shs - 20

Exploration Co PLC Ord 68k 5p - 245 First Chicago Corp Com Stk \$5 - \$46 First National Building Society 11 496 Parm Int Bearing Stu 210000 - \$1025, 200000 Pirst National Finance Corp PLC 7% Chy Cum Red Prf E1 - 109 Figure PLC ADR (4:1) - \$7 (190a94) Places PLC 574% Line Ln Stk 2004/08 - 989

the property of the control of the c

Five Arrows int Plansryes Ld Phy Red Pri \$0,01(Doubschemerk Sira) - DM92.887 (19D+94 Follows Group PLC Ord 50 - 42 (21/0e94) Forte PLC 9.1% Una Ln Stk 95/2000 - 258 100% (190a94) 21 - 784; (210:64)

Friendly Hotels PLC 44/% Onv Ours Red Pri Friendly Hotels PLC 7% City Cum Fled Pyf 21 Fragmore Estates PLC 13,85% 1st Mtg Deb Sik 2000/05 - £109 (200)494 GION PLC ADR (1:1) - \$9.27 GN Great Nordic Ld She DK100 - DK498 G.T. Chile Growth Fund Ld Ord \$0,01 = 2304 中 31条中 Gates (LUC) Lt 414% Red Deb Stk = 248

General Accident PLC 7% % Cum ind Prf £1 General Accident PLC 87;1% Cum lind Prf 21 General Sectific Co PLC ADR (1:1) - \$4,42 Gustetner Hittes PLC Ord Cap 25p - 115 Globs & Dandy PLC Ord 100 - 85 (200-00) Glesco Group Ld 64% Une Ln 8tk 85/95 50 Chymened International PLC 103,% Une Lin Stic 94/99 - 699% Goode Durrant PLC 8.5% Clum Prf 50p - 25 Grand Metropolitan PLC 5% Cum Pri 21 - 59 Great Portland Estables PLC 9.5% Tel Mig Deb Stk 2016 - 2103 (210e94) Greet Universal Stores PLC ADR (1:1) - 3814

Groundis Group PLC 8% Cum Prf 21 - 103 Greenalis Group FLC 11½% Deb Stk 2014 -£1221g (21Da94) Greenalis Group PLC 7% Cav Subord Bds 2005 (Reg) - £1074 Greencore Group PLC 9.5% Crw Uras Lin Site 1995 - I£155 Guittages PLC ADR (5:1) - \$343-6 HSBC Hadge PLC Ord \$410 (Hong Kong Reg) - \$485.341909 .502708 .84482 .8 6 6 DORE 86. C. 8881. 681801. 80. 28008

ISBC Hidge PLC 11.69% Subord Bds 2002 (Reg) - £100 2 8 9 % HSBC Hidge PLC 11.69% Subard Bols 2002 (Br 2/er) - 210012 (20DeS4) Heilfer Suilding Society 31:96 Perm int Sear-ing Stre 250000 - 23918 (20DeS4) Heildin Haidings PLC Ord 5p - 70 2 3 tell Engineering@1dquiPLC 5.55% Cum Pri E1 - 82 34, 7 701₂1 (21De64) isima PLC 11% Cum Pri 21 - 130 (150e94) Hammerson PLC Ord 25p - 343 5 6 7 Herriye & Heregne PLC Ord 5p - 247 leabro Inc She of Com Stk \$0.50 - \$2812 Hercules Inc She of Corn Stk of NPV - \$118

Holmes Protection Group Inc Sits of Com Stk.

\$0.25 - \$0.25 Hong Kong Land Hidgs Ld Ord \$0,10 (Ber-muda Regi - \$H15.85\$ Housing Finance Corporation Ld 11¹2% Deb Stk 2016 - 21137, (21De94) IS Himsigyan Fund IV Ord FLO.01 - \$15 e Ideland Group PLC Cnv Cum Red Pri 20p -119 20 (21De94) Mingworth Monte Ld 6¹2% Gum Prf Sik 21 -50 (16De94) Sustrial Control Services (ap PLCOrd 10p -135 (21 De94) Inil Stock Exchange of UKSRep of IrLd 74,94 Mtg Deb Stk 90/95 - 2994, (180-94) inti Stock Exchange of UKZIPep of Ir104m Mag Deb Stk 2016 - 2107 (16De94) Idah Life PLC Ond 190.10 - 121.85 1.86 1.87

Jardine Matheson Hidgs Ld Ord \$0,25 (Hong Kong Register) - \$158 .04431 & Jerdine Strategio Hidgs Ld Ord \$0.05 (Hong Kong Register) - \$127.54 .7 .7829 Johnson & Firth Brown PLC 11.05% Cure Pri Johnson Group Cleaners PLC 7.5p (Net) Cnv Ourn Red Prf 10p - 127 (190e94) Kalsey Industries PLC 1134% Cum Prf £1 -Knotisher PLC ADR (2:1) - \$134 Korea-Europe Fund Ld ShellOR to Bri \$0.10 (Cpn 7) - \$4082³2 Kuserner A.S. Free A She NK12.50 -

N4C302.304 4.824 Ladbroise Group PLC ADR (1:1) - \$2.59 Land Securities PLC 9% 1st Mtg Deb Stk 98/ 2001 - E100 % (210:084) Land Securities PLC 6% % Uns Ln Stk 92/97 - 297 (160494) LASMO PLC 103/96 Deb Stk 2009 - 21055 (21De94) Labouta Platinum Mines Ld Ord RO.01 FZ4.72 (210e94)
Leeds & Holbeck Building Society 13³2%
Perm Int Bearing Sha 21000 - 2126³2 ³4
Leeds Permanent Building Society 13⁵2%
Perm Int Bearing 250000 - 2135³8 ⁵2

21 - 81 (19De94) Sik 21 - 75 (21De04) Loryto PLC ADR (1:1) - \$2.31 .32 .84 MEPC PLC 94% 1st Mtg Dab Stx 97/2002 -MEPC PLC 1034% 1st Mbg Deb Stk 2024 -2115.85 6 % (21Dag4) MEPC PLC 1012% Una Ln Sik 2032 - 210712 (18Des4) McCarthy & Stone PLC 8.78% Curt Red Pri 2003 £1 - 89 4, McCarthy & Stone PLC 7% Cay Une Ln Sik Mendarin Oriental International Ld Ord \$0.05 (Hong Kong Reg) - \$46.68404¢ Marks & Spencer PLC ADR (8:1) - \$37.12

(21De84) Medeva PLC ADR (4:1) - \$104; (20De84) Menzies(John) PLC 8% Cum Pri 21 - 116 Merchant Retail Group PLC 81/16 Une Ln 9tk Marchy International Inv Trust Ld Ptp Red Prf to Pleasure Fund - 250.2191 (210e9) Merety Doctes & Harbour Co 65g16 Fled Deb Sik 94/97 - £95¹2¢ Micland Bank PLC 14% Subord Uns Ln Sik Morismo & Co PLC 5% Cum Pri 21 - 59

Mount Charlotte investments PLC 104:96 1st Mtg Deb Stk 2014 - £107 7‡ (16De94) NEC Pinence PLC 135:36 Deb Stk 2016 -2143 & (180x94) NFC PLC 7446 Crev Bds 2007((Peg) - 2014) National Power PLC ADR (10:1) - \$764 National Westminster Bank PLC 8% Non-Cum 86g Pri Sers "A" £1 - 114½ ½ ½ National Westminster Sank PLC 12½% Subord Uns Ln Stk 2004 - £118½ 9½ New Central Withretersmittl Areas Let PO.50 -29% (190e94)
Newcastle Building Society 125e96 Permi Interest Bearing She 21000 - 2119
News interestional PLC 8% 2nd Gum Prf 21 - 8652 (160e94)
Next PLC 10%*8" Cum Prf 50p - 45

(21Ds94) North Housing Association Ld Zero Cpn Ln Stk 2019 - 900¢ North Housing Association Ld Zero Cpn Ln Std: 2027 - 4000 North Surrey Water Ld 4% Deb Stit - 240 Northern Foods PLC 83ct Cnv Subord Eds 2006 (Reg) - 288 Northern Foods PLC 64,% Criv Subord Bds 2009 (Br E Ver) - £84¹2 (200e84)
Northern Rock Building Society 12³2 % Perm int Bearing She £1000 - £121 ¹2
Pacific Gas & Sectric Co She of Com Stk \$5 Peridand Group PLC Ord 25p - 155 9 60 Paterson Zochonia PLC 712% Cusp Prf Et -85 (21De94) Paterson Zochonia PLC 10% Cum Prf £1 -113³2 (20De94) Peel Hidge PLC 97:96 1st Mig Deb 9tk 2011 - £101 .05 (200e84) Feel 15dgs PLC 5-25% (Net) Cnv Cum Non-Vig Pri 21 - 89 (210e94) Ped South East Ld 84,% Une Ln Stk 67/97 -Petrolina S.A. Ord She NPV (Br in Denom 1,5 & 10) - BF9349 2 70,76 400 400 Pittante PLC 91216 Cum Pri £1 - 87 (210e94) Plantation & General lines PLC Wasserts to sub for Ord - 1 (21De94) Plantation & General Invs PLC 91/2% Cum Red Prf E1 - 92 (21De94) Potpleterarust Pletinums Ld Ord R0.025 - 487

PowerGen PLC ADRI (10:1) - \$82% (21De94) Premier Heelth Group PLC Ord 1p - 1% RPH Ld 42% Uns Lin Stk 2004/09 - \$33 (21De94) RPH Ld 9% Une Ln \$8; 99/2004 - 293 RTZ Corporation PLC 3.325% "A" Cum Pri Recel Electronics PLC ADR (2:1) - \$6,6 .65 Rank Organisation PLC ADR (2:1) - \$12.65 Recidit & Golman PLC 5% Cum Prf 21 - 54 [19De94] Retail Corporation PLC 4,65% (Finity 61/2%) Cum Pri 21 - 67 8 (200e94) Retail Corporation PLC 4.55% (Firsty 6¹2%) Cum 3rd Prf £1 - 63 (210:04) Rolls-Royce Power Engineering PLC 5,375% Cum Prf £1 - 77 (160a84) Ropner PLG 11-2% Cum Prf ET - 118 Royal Bank of Scotland Group PLC 51/2%

Cum Pyf 21 - 60 (200e94) Rugby Group PLC 6% Uns Ln Six 93/98 -905corp \$5s of Com 8th of NPV - \$15 SHK Indonesia Fund Ld Was to Sub for Ord -\$0.8 @1De84 Seatchi & Seatchi Co FLC ADR (2:1) -\$7.124763 Seinsbury(J) PLC ADR (1:1) - \$6.35 (210e94) Seinsbury(J) PLC 896 Ind Une Ln Stk - £86/2 (180e94) Scantranic Hidge PLC 7.25p (Net) Cnv Quin

Red Prf 20p - 47 (190494)

Scantronic Hidgs PLC 5.79% Cnv Cum Red Prf 21 - 55 (200e84) Scholl PLC 87,1% Cum Red Prf 2001/05 \$1 -Scholl PLC 54/4 Chy Class Red Pri 2006/17 £1 - 70 (21*0*1004) Sears PLC 74/16 Une UI Sik 92/97 - 995

Seven River Grossing PLC 6% Index-Linked Dab Sik 2012 (5.452%) - \$116¹2 Shell Transports Tracking Co PLC Ord She (84) 25p (Cpn 193) - 699 702 Shoprite Finance (LEG PLC 7.8750\$400 Cum-Red Pri She 2009 - 8412 6 (210084) Signet Group PLC ADR (3:1) - \$1.105

Street PLC 712% Cum PM (1 - 73 (180494) Sidoton Building Society 127 % Perm int Searing Sas 21000 - 2121 2 Scritt New Court FLC 12% Subord Une La 8tk 2001 - £104 (190e04) Smith Gine Sestinan PLC ADR (5:1) -Smithidhe Beacher: FLC/Smithidhe ADR (5:1) - \$34,248859à Stag Fundture Hidge PLC 11% Cum Prf St.

AB (18De64) Standard Chartered PLC 127/3% Subord Use Ln Stk 2002/07 - 21140 1/20 Swan(John) & Sons PLC Ord 256 - 450 Sedeciative & Sons La 6.3% Class Pri 21 -100 (16Dc94) Symonds Engineering PLC Ord 5a - 31 2 N-FC (Indexed) Lt 5.65% Index-Libited Str 2020(5.701896) - 212232 TSB Group PLC 105; % Subord Ln Sik 2006

TT Group PLC 19,875% Cmr Com Red Prf She C1 1997 - 280 Takere PLC 11.8% 1st Mtg Dab Stk 2014 -Tate & Lyle PLC 81216(4,55% plus last cred-IDCUM Prf 21 - 72 (200494) Timelar Woodrow PLC 912% 1st Mig Deb Std 2014 - £100.644 TeleWest Constunications PLC ADR (10:1) £17,65 \$ 28.53 % % % Tescs PLC ADR (1:1) - \$3.8 Tesco PLC 4% Uns Deep Disc Ln Stk 2008 284,05 (200 664) Theil Prime Fund Ld Pig Fled Pri \$0.01 : 215.0825 15k

THORN EMI PLC ADR (1:1) - \$15.78 l'aps Estates PLC Who to sub for Ord - 186 Town Centre Securities PLC 1012% 1st Mac Deb Stk 2021 - 2109 91 (20De94) Trafaiger House PLC 8% Uns Ln Sec 94/99 -292 (16De94) Trafaiger House PLC 104/% Uns Ln Sec 2001/08 - 298 Thirsystantic Holdings PLG A Chy Pri 50g -2312 (16De94) Trensatientic Hotelings PLC B 6% Criv Pd £1 - 91 (21Da94)

Transport Development Group PLC 84;% Una Ln Sik 93/98 - 085 (19Desq. Unigate PLC ADR (1:1) - \$53 Unigate PLC 612% Uns Ln Str. 91/96 - 2051-6 (21De64) Unitaries PLC ADR (4cf) - \$70.88 (200):80 Union International Co PLC 6% Curt Prf Stk Union International Co PLC 7% Cum Prf Stk £1 - 50 (19De94) Unlays Corp Corn Stk 90.01 - 3812 Utility Cable PLC Warrants to sub for Ord -Your Group PLC 42% A Cum Pri St - 48 (19De94) Value Group PLC 9.675% Deb Std 2015 -

£1054 (150e94) Violens PLC 5% Cum(Tex Free To 30olPd SE: £1 - 88 Vocations Group PLC ADR(10:1) - \$32% Voiex Group PLC 4.9% (Finty 7%) Cum Pri £1 - 73 (190e84) WEW Group PLC 1012% Cum Red Prf 98/ 2002 \$1 - 99 (21De94) Warburg (S.G.) Group PLC 752% Curr Pri 21 - 9912 (21De84) Wartung (S.G.) Group PLC (2nv Dfd 25p -450 50 (16De94) Matmoughaifildigs) PLC 84.96 Curt Fled Pyl 2006 21 - 98 Melicoque PLC ADRI (1:1) - \$10.76\$.78\$

Wells Fargo & Company Shs of Com Stk \$5 -\$148% Whitbread PLC 5% 3rd Curr Pri Stk £1 - 55 Whithread PLC 74 % Uns Lri Stk 95/99 -Milithrend PLC 74/6 Uns Lri Stk 96/2000 -Michael & Scottish Resources PLC Ord 10p -Milithread PLC 1012% Una Ln Sik 2000/05 -214 3 (16De94) Total Systems PLC Ord 6p - 3512 (19De94)

Whitecost PLC 6.1% Cum Pri 27 - 60 Willis Compon Group PLC ADR (5:1) - \$10.52 Xertex Corp Com Sp. 51 - 897% York Waterworks PLC Ord 10p - 315 Yorkshire-Tyme Tags TV Hidge PLC Was to aub for Ord - 227 12 (21 Don't) Zambie Consolidated Copper Mines Ld"8"

Ord 1010 - 200 (190094)

2005 10p - 14912 (21De94)

British investment Trust PLG 11,125%

Investment Trusts 62W Endowment Fund Ld Redeemable Old 1p - 105 64 Buildle Officed Japan Trust PLC Wits to Sub Ord Shs - 80 (200s94) Beffile Gifford Shin Nippon PLC Warrants to sub for Ord - 98 (1970e94) Beilie Gifford Star Nicpon PLC Werrents to sub for Ord 2005 - 68 Barkers investment Trust PLC 1042% Deb 30k 2016 - E1125 3 British Assets Trust PLC 41/2% Prf StidCum -\$48 (190₀84) British Assets Trust PLC "A" 6% Pri 894(Cum) - 254 (190)a94) British Assets Trust PLC Exulties Index USS

Secured Deb Stk 2012 - 21184 .8 C.S.C.Investment Trust PLC Ord 25p - 93 (16Da94) Clemente Kores Emerging Growth FundShi \$10 (Plag Ling - \$8,957 (200a94) Drayton English & Int Trupt PLC 8.875% Curr PH ET - 111 8 Drayton English & Int Trust PLC 107:36 Deb 9tk 2014 - 21127 English & Scottleh Investors PLC "B" 25p 4

Fidefity European Values PLC Equity United Lins Lin Stir 2001 - 1342 5 (160069) Finebury Sengter Co's Trust PLC Zero Div Pri 260 - 18512 Foreign & Colonial Eurotrust PLC 53.16 Cov Lins La Stic 1998 - 2325 (21 De94) Gartmore Briden Inc & Grith Tist PLCZero DIVIdend Prt 18to - 9822 10022 (210e84) Gertmore Shared Equity Trust PLC Geared

Ord inc 10g - 84 HTR Japanese Smaller Co's Trust PLCOrd 25p-103&56-277 JF Fledgeling Japan Ld Watrants to auto for Lazard Select investment Trust Ld Pig Red Pri 0.1p Global Active Pund - 212.68 12.7 Lezard Select Investment Trust Ld Ptg Red Prf 0.1p U.K. Active Plind - £13.85 Lazard Select Investment Trust Ld Ptg Red

Prf Q.1p U.K. Liquid Assets Fund - C10 London & St Limmence Investment PLCOrd Microrate OtsERes She Fund Inc. \$0.10 -\$17.14 (160,494) MorganGrenfellLatinAmerCo's Tet PLCWis to sub for Ord - 51 1 2 Musey Income Youst PLC 4.25% Cum Pri 21 - 61 (21De04) New Throgmorion Trust(1983) PLC 12.6% Deb Stk 2008 - £1244;

Schwoder Kores Fund PLC Ord \$0.01 (Br) -\$134 (190494) Scottish National Trust PLC 10% Deb Stic 2011 - £1061/4 (200:e94) Securities Trust of Scotland PuC 412% Cum Prf Stk - £47 (21De94) Shires High-Yielding Smir Co's TellWis to Sub for Ord - 64 (210a94) Sphere Investment Trust PLC Revised Warstants to sub for Ord - 212 (200e94) TR City of Landon Trust PLC 104% Deb Sik 2020 - 2109% (200e94) TR City of London Trust PLC 1132% Deb Stk 2014 - 21201 Throgenorium Trust PLC 12 8/1856 Deb Stk. 2010 - 2122 Updown investment Co PLC Ord 25p - 570 (14De94)

Wigmore Property investment Tat PLCWts to Sub for Ord - 20 Wittan Investment Co PLC 812% Deb Stit 2016 - 295 (21De64) **USM** Appendix Edos PLC Ord 10p - 330 (21Da94) FBD Holdings PLC Ord 1/20.50 - IE1.65 Gibbs Mew PLC Ord 25p - 435 50

Rule 4.2(a) Actors Cert PLC Ord Sp - \$1.22 (190x64) Advanced Media Systems FLC Ont 21 -African Gold PLC Ord 1p - 93.0275 (190084) Amelgranished Metal Quap PLC 5.4% Quan Pd 21 - 21.53 (210:64) Ann Street Brawery Co Ld Ord 21 - 24 4 4.15 Arm Street Browery Go Ld Crty Red 2nd Pd 21 - 25% (15De64)

leables Gold PLC Old 10p - 20.10 Arion Properties Ld Ord Sp - 20.1 (180494) Armadilo Hides PLC Ord 10p - 20.28 Assenat Football Club PLC Ord 21 - 2500 Asout Hidgs PLC Ver Rate Onv Ours Red Pri 10p - 20.016 (20De94)

Asset Global Funds international Bond -Aston Villa Football Citals PLO Ord 25(1 vote) - C95 (19De94) Azura Group PLC Ord 10p - 20.23 Berchys (redstment Fund(CL) Sherling Sci Fd Barton Securities PLC Ord 100 - 20.08 Brancote Holdings PLC Ord Sp - 20.44 Bray Technologies PLC Ord 10p - 20.620 Brookbank Group PLC Ord 10p - 22

(210e)A Channel Islands Come (TV) Ld Ord Sp. - 20.6 Cherties Official Investment Fd Income She -28.4324 (19De04) Chartfield Fund Management PLC Ord 10p -21.35 Country Gardene FLC Ord 25p - 20.48 (200694) Coutte Global Flund UK Equity Flund - \$10,55 (10De94) Crowther John Edward Hidge 52% Call Pri E1 - 20.65 (210a04) D.B.S.Management PLC Ord 10p - 22.8 od Inguance Office PLC2.8% Cum Prt 21 - 90.55 (200-04) Beckropheretos Intl. PLC Ord 21 - 244

(20DeG4) Pirecreet Group PLC Ont 10p - 20,315 0.38 Forestryeim Ld Ord \$1 - 20,555 0.57 0.6 Formacan international Group PLC Ord 151 -20.55 (200e94) Gander Holdings PLC Ord 1p - 20.05 Quernacy Gas Light Co Ld Ord 10p - 21 Quernasy Press Co Ld Ord 10p - £1.97 1.98

(200±64) Henry Cooks Group PLC Ord 10p - 20134 14 To Ord 21 - 275 7 Hyder Arna Browery Ld 'B' Ord 21 - 275 76 11% Group PLC Old 21 - 93.1 independnt British Healthcare PLC Ord \$5p 200-949 Jerney Bectricity Co 5% Cum Pig Pri 21 -20.8 (160e94) Jersey New Waterworks Co Ld 5% Cum 3rd Pri 25 - 22 (160e94)

Jersey New Waterworks Co Ld 2% Cum 4th Prt 25 - 90.85 (160a94) Reinwort Bensanfint Fund Mart Int Inc Units Bond Fd - 26,9573 (200e84) Kelmwort Benson(m) Fund Man KE Gitt Fund -214.11 14.271833 (160:04) Melawort Benson(int) Fund Mail Strategic Inv Fd- 21.3714 Kleinwort Benzonfini) Fund Men int Equity Gwth Inc - 22.5740 Lancashire Enterprises PLC Ord 5p - £1.74 Lewrence PLC Old 10p - 21.71 (200e) 0 Le Piche's Stores Ld Ord £1 - £2.98 elsuratime Inna PLC Ord 5p - 90.07 (16Oa04) Lien Publishing PLC Ord 50p - £1.05 (HBD=94) ewoods Organisation Ltd 12% "6" Cum

Landon Fiduciary Trust PLC Ord 1p - 50.08 Marchester City Feetbell Club FLC Ord 🖭 -Marino & Marcanillo Securities PLC Ord 1:00.20 - 21.85\$ Memory Corporation PLC Circl 20 - 20.825 0.85 0.86 0.87 0% 0.88 0.89 0.89 0.9 National Grid Hidgs PLC Ord 10p - 29,64 lational Parking Corp Ld Ord 10p - 24.65 Nawbury Recocurse PLC Ord £100 -Northern Martine Property Inva Ld Ord 0.1p

PH 21 - 21 AS

- 20.57 O.S-0.81 Oakhii Enterprises Ld (ird £1 - £0.0425 OmriMedia PLC Ord 5p - 20,82 (1.62375 (1.64

Pacific Madia PLC Ord 1p - 75 を 4.2 Pacific Media PLC 11% Cum Prf 21 - 2012 Pan Andeum Resources FLC Ord 1p.- 90.06 Z10494 Perk Lane Hotel PLC 5.8% Cum Prf 21 -

Premetantificant Offshare Generality Cale -PLU71817 (200e94) Perpetunik/kase/) Offshort Far Euslam Gryth Fd - 34.815 @00c94 Persetual Jereshi Officheni Japan Grewin Fe - \$1,43240 Persetual(Jersey) Citiahore UK Granth 91.824 (20Da94)

Rangeri Football Club PLC Circ 100 - 200 Rangers Football Club PLC B Deb Stk 21800 2000 20De04 Rangers Football Club PLC & Deb Sik 21500 - 21500 (200-04) Schroder Menegement Services(Guerri/Schroder Surupeen Bond - \$10.5052 Spottlet: Pride Hidge PLC Ord 10p ~ 20,58 Boruttone PLC Ord 21 - 2212 (210-64) Select Industries PLC New Ord 7 20 650 Pd - 20.015 (21De94)

Shepherd Nessna Ld "A" Ord 21 - 25.9 SMOOTH FLC She to - \$2.07 0.026 (200#86) South Green Hidge PLC Old 1p - 20,0076 (160,004) Southern Newspapers PLC Ord 21 - 84.4 -Southern Vectls PEC Ord 100 - 20.53 Surrey Free inns Ord 21 - 2047 0.55 (2000) Therais Co. PLC Oxl 250 - 25 (200) 89

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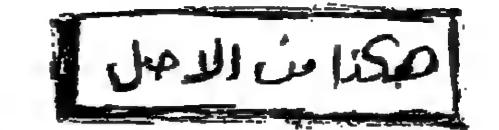
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LONDON STOCK EXCHANGE

The pre-Christmas rally finally runs out of steam

By Steve Thompson

There was a distinct shortage of centine trading activity on the London equity market yesterday as the City wound down for the Christmas holiday. However, there was no shortage of anguish around the trading desks which, the Stock Exchange insisted, had to stay open until the usual 4.30pm close.

"Everyone was happy to work the half-day, which would have tied in nerfectly with the futures market closing at 12,10pm. But to keep the cash market open until 4.30pm was simply silly," said the head dealer at one of the big European banks. He said most of the large marketmaking firms cut manning levels to the minimum after lunch, leaving

only a skeleton staff. Earlier in the session there was

talk that a large OTC option was due to expire at the official close and that the market could have been driven aharply higher pre the expiry. It was a series of OTC expiries that were deemed responsible for the steep rise in the FT-SE 100 index between Christmas and the New Year last year, when the index jumped almost 50 points in a single

In the event the market went out with a whimper, with equities never appearing to struggle but simply lacking any upward impetus and suffering from an acute attack of turnover starvation.

Turnover for the whole session crept up to 291.8m, with non-FT-SE stocks accounting for almost 70 per cent of the total, well ahead of the usual ratio between leaders and second-liners. Disgruntled dealers

Brown.

pointed out that turnover in the truncated pre-Christmas session last year was 242.1m.

The FT-SE 100 index ended the day a net 8.3 off at 3.083.4, its first decline in six trading sessions, but remained 69.8, or 2.3 per cent, higher on the week. The driving force behind the market this week has been the emergence of the much expected agreed bid for Portals, the security paper manufacturer, from De La Rue, and the Trafalgar House bid for Northern Electric. The Northern bid triggered a wave of takeover speculation

throughout the utilities areas. Second-liners, strongly outpaced by the leaders, held up reasonably well, with the FT-SE Mid 250 managing a modest 1.4 improvement at 3,487.3, for a week's gain of 50.2, or 1.5 per cent.

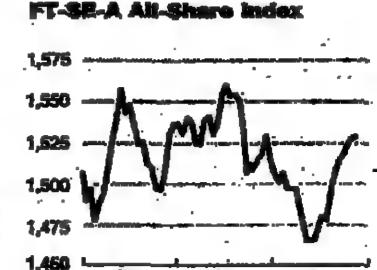
The 100 index kicked off the session around 4.4 lower at 3,087.3, and ignored the latest good showing from the US, where the Dow Jones Average closed 13 points higher. Dealers were impressed with the Dow's performance. They said it came in spite of a poor outcome to the latest bond auction, of five-year notes, and worries about Mexico and other South American coun-

But with very little genuine business being offered to the market. share prices did no more than drift easier throughout the day. Another firm opening by Wall Street, had little impact on sentiment in London, and the City's dealing desks Were vacated the second the market

closed. Features in equities were few and far between, but the property sector

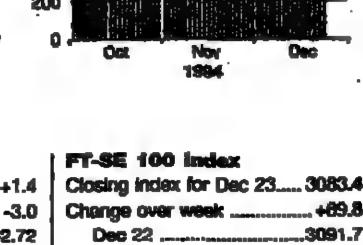
continued its recent strong showing and provided the FT-SE 100 with its two best individual performers, MEPC and Land Securities. Property stocks have raced higher since Barings, the merchant bank acting on behalf of an investment consortium, made a £1.5bn takeover bid for St Martins Property, owned by the Kuwaiti government.

BAT Industries was the secondheaviest traded FT-SE stock, and edged higher after its acquisition of American Tobacco was given the green light by the US authorities. Kleinwort Benson shares continued to stand out in the merchant banks, with murmurs around the market suggesting that the bank could well attract the attentions of an overseas predator anxious to expand its presence in European



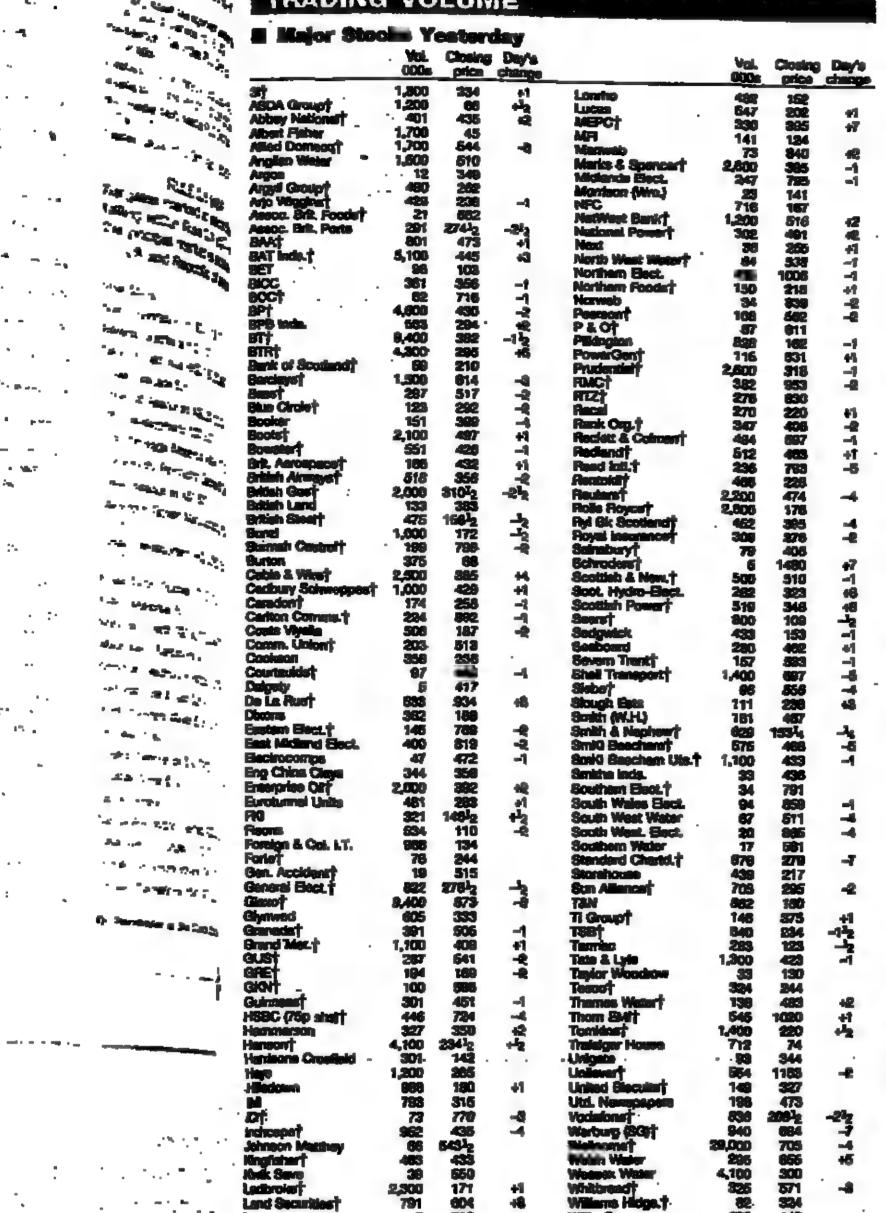
Key Indicators

HOS HITTOGEDIA		
dices and ratios		
-SE MId 250	3487.3	+1.4
-SE-A 350	1542.7	-3.0
-SE-A All-Share	1526.37	-2.72
-SE-A All-Share yield	4.01	(4.00)
Ordinary index	2369.3	-5.1
-SE-A Non Fins p/e	18.11	(8.14)
-SE 100 Fut Dec	3113.0	-12.0
yr Gilt yield	8.57	(8.57)



Equity Shares Traded

10 1 00 Care 10 0 1 20 1 TRADING VOLUME Major Stock Yesterday



Willia Corrote

EQUITY FUTURES AND OPTIONS TRADING Stock index futures dipped net rise on the week of 70 lower. However, with the market closing at mid-day, The premium to the cash

trading volume was market was 30 points or seven negligible, writes Jeffrey points over fair value. Stock options traded equally The FT-SE 100 March thinly with less than 11,000 contract was 3113 when pit contracts dealt. At 1244 lots. trading came to an end at BTR was the most actively

12:10	om, down	12 points	for a	traded individual stock optio						
■ FT-81	100 INDEX	FUTURES (LIFFE) £25	per full inc	Sex point		(APT)			
Mer Jun	Open 3118.0	Sett price 3113.0 3125.0	Change -12.0 -12.0	1120.0 1120.0	109.0	Est. vol 1918 0	Open Int. 55778 2925			
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Mar		3515.0	0			0	3925			

IN FT-SE MID 250 INDEX PUTURES IOMILX 210 per full index point

FT-SE 100 INDEX OPTION (LIFFE) ("3084) \$10 per full index point

III EURO STYLE FT-SE 100 INDEX OPTION (LIFTE) 210 per full index point

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1014, 484, 73 6512 584, 924, Calls @ Pale @ Settlement prices and volumes any latery at 4.30pm.

FT-SE-A INDICES - LEADERS & LAGGARDS Percentage changes since December 31 1993 based on Friday December 23 1994 +6.03 FT-SE SOURCES -5.55 Life Assessance -8.02 FT Gold Mines Index -14.46 -9.26 FT-GE-A AG-SCHOOL Valides ____ +1.76 -0.26 Housekoki Goods- -18.31 +1.52 Cas Distribution ... -0.33 +1.47 -0.42 -9.40 +1.31 Tudies & Agueret -17.85 Telecompunications _____ -17.52 Spirits, Wines & Cidars -10.85 west Treste ______--10.84

2/2 36(7.51

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10/4/82 100.00 Index-Linked

31/12/85 1000.00

-13.11 Building & Construction -34.78 The UK Series

13/12 4107.55 2/2/94 1000.00 31/12/65

	Dec 23	chart	Dec 22	Dec 21	Dec 28	100	167%	yid%	relic	ytd	Rotem	High		اما	•	Hg		Los	H
FT-5E 100	3083.4	-0.3	3091.7	3070.4	305B.1	3412.3	4.18	7.20	16.40	129.50	1177.21	3520.3	2/2	2076.6	246	3520.3	2/2/94	986.9	23/7/
FT-SE 900 200	3487.3	-	3485.9	3466.6	3469.7	3773.2	3.62	8.17	19.30	138.17	1313.15	4152.0	3/2	3382.4	27/6	4152.8	3/2/94	1379.4	
FT-SE Mid 250 ex law Tracks	3488.9		3467.3	3467.5	3464.5	3781.1	3.77	6.67	18.05	144.61	1311,62	4160.7	194	3362.4	27月	4166.7	19/1/94		51/1/
FT-05-A 350	1542.7	-02	1546.7	1535.6	1530.5	1898.8	4.05	6.96	17.00	64.02	1205.10	1778.3	212	1451.3	246	1772.3	2/2/34		14/V
FT-SE SmallCap	1745,81											2894,98	4/2	774.83	14/12	2004.06	4/2/94	1395.78	
FT-SE SmallCap on lost Tenade	1714.96	+0.1	1713.12	1799.10	1707.17	1794.74	3.70	5.50	23.11	55.39	1344.20	2009.72	4/2	1967.86	14/12	2000.72	4234	1353.79	
FR-GE-A ALL-SHARE	1528,37	-0.2	1529.09	1519.48	1514.74	1876.90	4.01	6.83	17.41	82.39	1212.55	1764.11	2/2	145.65	246	176L11	2/2/94	01.92	13/13/
FT-SE Actuaries	All-Sha	T.O									T-1-1		-				St. 0		_

2888.90 -0.4 2899.91 2683.27 2677.45 2544.12 3.54 5.09 24.86 88.83 1085.56 2882.01

3764.72 -0.1 3786.88 3747.01 3784.98 3848.49 3.41 5.45 22.69 98.82 1038.85 4167.85

10 MINERAL EXTRACTION (S)

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PT - SE Actuaries Share Indices

Application of the second seco	Equity section or group FT-SE Total Return Indices. 31/1	date value		section of	GLOSED	date	Alghe	Eq	uity seas	on or gro	yp de	do yai	20 Eq.		tion or : dices	200p	data	velue
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	FT-8E-A 350 Time of FT-8E 100 High; &31am Lo	1543.9 nr. 2.44pm	154	8.4 16	543.6	1843.		1548		542.9	1542.9		1542.8	154		1544.1		542.5
•	FT-SE 100 FT-SE Mid 250	3087.3 3484.8	308 348	6.1 30	096.1 185.8	3084 3486	5	3084 3486	1.3 3	084.2 486.8	3084.2 3486.8		3083.2 3487.0	308	8.4	3087.8 3487.3	30	088.1 483.9
	E Hourly movemen	nts Open	9.0	D 16	2.00	11.00		120	D 1	3.00	14.00		15.00	16.1	0	liigh/day	Lov	w/day
	80 ENESTMENT THUSTS(120)			1.09 1519.48					7.41 62.30				1445.35	_	1784.11	2/2/94		13/12/74
	77 Other Financial(26) 79 Property(43)		+0.8 1400		1367.90	1797.86		4.55	27.39 \$9.83 90.81 \$5.16	823.59	1886.86	4/2	1815.39	13/12	2132.40 3184.31	5/8/89	718.40	-
	74 Life Assurance(5) 75 Merchaet Barica(8)	2962.47 2963.25 1646.29	-0.2 2366 2953 +0.1 1645		2644.97		5.41 3.52 4.05	B.41 1	15.48 127.8 12:38 108.71 14.39 70.54	896.96	3781.29	2/2	2189.61 2562.02 1752.88	4/10	2921-97 3761-29 2278-36	19/1/84 2/2/94 4/2/94	967,70 962,80 868,30	沙八角
•	70 FBLANCIALS(196) 71 Banks(10) 73 Insurance(17)	2883.02	-0.6 2911 -0.4 1180	1.06 2893.28 5.26 1174.50	2870.67 1200.14	3366.26 1514.05	4.20 S	9.86 0.51	11.63 120.90 10.84 63.13	871,22 802,88	3601.56 1593.51	4/2 24/1	2615.77 1138.79	3/7 12/12	3991.55 1624.20	4/2/14 29/12/66	950.60 570.50	25/0/
	(9) NON-FINANCIALS(RSR)	1648.88		.53 1640.82 .78 2165.68					18.11 67.6 12.89 95.7	-			1582.88 2034.74		1870.36 2737.13	2/2/94 4/2/94	53.40 972.20	13/12/
Anna Marie 18	66 Telecommunications(5) 66 Welen(13)		-0.2 196	7.85 1979.48 1.38 1782.12	1961.66	2446.74		7.63		880.74	2456.42	2/2	1864.68 1588.71		2461.20 2126.78	29/12/93 3/2/94	802.60 924,70	
	60 UTILITEES(22) 62 GlocaricEy(17) 64 Gan Distribution(2)	2410.58 2547.34 2052.13	+0.3 254	1.21 2361.49 1.71 2516.50 1.37 2032.81	2526.79	2581.18	3.83		16.75 1 19.8 12.16 132.5 1 1 19.8		2754.74	30/6	2100.02 2024.12 1684.20	246	2754.74		96230 96430	7/1
ing in the second of the seco	40 Transport(16) 51 Other Services & Business(5)	1246.84	+0.3 124	5.48 2194.61 2.91 1247.41	1230.90	1191.96	3.58	1.88		1981.83	1308.58	10/2	2133.67	21/4	2005.98 2058.30 2762.33	16/7/67	983.10 983.10	14/1/
**	45 Retailers, Gararat(46) 48 Support Services(41)	1588.15 1461.87	-0.1 1670 +0.1 1480	0.37 1554.11 0.22 1461.84	1554.13 1454.87	1872.07 1675.11	3.40 2.94	6.71	17.54 41,8	884.53	1006.43	2/2	1485.20	15/12	1866.43	29/12/93 2/2/94 3/2/94	870.10 936.00	1/2
grander (m. 1945) Grander (m. 1945)	42 Listure & Heinis(25) 43 Media(36) 44 Retailers, Food(16)	2108.74 2807.02 1735.85	-0.4 281	9.66 2080.63 8.97 2799. 14 8.10 1713.71	2783.10	2984.30	2.52	5.45		977.39	3349.11	17/2	2875.11 1511.94	27/6 25/4	3348.11 2238.20	17/2/94 20/1/93	978.20 917.40	21/1
entrone en la companya de la compan	40 SERTICES(219) 41 Disirbutors(30)	1881.30 2504.68	-0.1 250	3.85 1000.11 7.21 2506.30	2516.80	2952.14	3.86	7.38	17.72 65.3 16.03 98.6 22.24 63.9	875.22	3319.33	2/2	1821.28 2451.26 1904.78	5/10	2257.77 2319.33 2380.62	19/1/94 2/2/94 17/2/94	944.08 988.59 975.48	21/1
grade Agreement Communication and the Commun	37 Phermacousticate(12) 38 Yobecco(2)	3308.62	-1.0 334 +0.6 369	1.27 335 5.89 1.45 3700. 05	3278.21 3700.31	3222.24 4593.03	4.08 5.79		17.77 131.0 11.13217.0				2841.70 3120.74		4168-90 4730-93	14/1/92 29/12/93	953.70 982.80	9/1/
Company Edward Transfer	33 Food Manufacturers(24) 34 Household Goods(13) 36 Health Care(21)	2324.14 2396.34 1580.51	239	6.64 2378.08 6.47 1554.84	2391.70	2500.58	3.82	7.53	16.01 96.6 46.01 \$1.9	3 868.12	2001.14 1900.13	18/2	2273.87 1536.37	12/12	2984.14 2047.40	18/2/94	927,10 972,00	21/1/
	31 Brematica(17) 32 Spirits, Wines & Ciders(10)	2205.84 2742.84	-0.3 276	1.38 2200.94 1.72 2737.07 5.07 2299.29	2738.74	3090.00	4.16	6.93	14.77	927.38	2464.52 3225.33 2800.64	241	2071.07 2000.07 2060.26	13/12	2464.52 3467.80 2600.64		967.50 967.50	141
and the second s	29 Textiles & Apparei(20) 30 CONSUMER GOODS(99)	1506.61 2817.74	-0.4 283	1.22 1502.62 8.58 2622.77	2794.60	2906.81	4.31	7.23	19.76 68.0 16.06 121.7	979.14	3648.76	24/1	1491.25 2494.94	246		2/10/87	967.50	14/1
- • ·	27 Engineering, Vehicles(12) 28 Printing, Paper & Pring(28)	2164.82 2731.45	+0.1 216	2.22 2161.52 B.73 2711.28	2173.11 2715.01	2133.24 2632.89	4.63 3.21	1.58 8 5.71	0.00† 94.3 20.36 86.7	1 1059.71 4 1081.10	2516.65 3945.61	8/8 18/3	2995.34 2621.19	28/8	2516.95 3945.61	8/8/94 18/3/94	995.50 973.30	14/1
a ta aper .	24 Diversified Impostrate(10) 25 Backroole & Goet Gudp(83) 26 Engineering(71)	1753.82 1858.88 1787.32	-0.1 188	3,48 1727.08 0,19 1846.53 7,23 1774.69	1849.37	2054.00	4.14	6.83	17.67 98.6 17.45 76.3 21.25 60.5	918.53	2231.57 2263.38 2011.17	4/2	1999-20 1765-58 1738-95	13/12	2231.57 2263.38 2011.17	252/04 4/2/04 2/2/04	984.80 982.80	295
_ Ta** .	22 Striking Matts & Mercht(32) 23 Chemicale(23)	1785.15 2286.98	-0.1 178 -0.2 229	8.31 1770.45 1.42 2258.23	1788.04 2261.10	2225.29 2295.34	4.19	5.76 4.72		5 1021.84		8/8	1696.84 2198.18	13/12	2993.22 2598.42	8/8/94	979.50	14/1
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31/12/85 682.94 Non-Financials

31/12/90 1000.00 All Other

31/12/83 1000.00 FT-SE-A All-Share

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after US go-ahead

International tobacco and insurance group BAT Industries rose 3 to 445p against the trend after the group finally reached agreement with the US Federal Commission over its proposed acquisition of American Tobacco.

There was also believed to be at least one upbeat recommendation for the group in circulation, and BAT was the most actively traded stock in a quiet market following the clearance of the £600m deal.

The trade-off is that BAT will sell off a range of cigarette brands and a cigarette manufacturing facility to an independent competitor to preserve competition in the US indus-

Down Mexico way Food and drinks group

Allied Domecq reflected the stock market's nervousness over the Mexican economy and the shares tumbled 8 to 544p. The devaluation of the Mexican peso and fears about the simmering rebellion in Chianas have cast a further cloud over Allied's acquisition of Pedro Domecq earlier this year. The Mexican market, where it sells

Allied shares, which stood at 612p before disappointing interim figures a month ago. were yesterday on a sub-market rating and one of the highest yields in the sector.

brandies such as Presidente

and Don Pedro, accounts for

about half Domecy's profits,

There was some support for drinks issues via an encouraging and festive piece of research from US investment bank Lehman Brothers. The pharmaceuticals and drinks specialists have pooled their respective skills and concluded that alcohol is good for you. Couched in the sober terms of city analysts, the team cites the refreshing fact that in Ireland pregnant women and nursing mothers got their Guinness on the national

health service until a few years

ago. As evidence, it pours in

the findings of a 13-year study

on 12,300 male UK doctors.

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among whom modest drinkers were healthier than abstemi-

aging investors to rush for the sherry, but to pick up stocks which might experience "beneficial effects regarding price/ earnings multiples". Guinness shares were steady at 451p. Greene King up a penny at 528p and GrandMet a penny firmer at 409b.

Activity in utilities was subdued, with the market's main focus among the regional electricity groups seemingly shifting north of the border. Scottish Hydro put on 6 to 323p and Scottish Power added 6 at 346p. but turnover in each case was minimal.

Northern Electric, which this week received a hostile cash and paper bid from Trafalgar House, retreated a penny to 1006p, with the market - caught up in seasonal festivities - momentarily losing sight of an anticipated white knight and increased offer pos-

sibilities.

British Gas dipped 21/2 to 310%p in 2.1m tuurnover. Among water stocks. Wessex Water, unchanged at 300p, saw fair volume trading 4.1m shares while Welsh Water

improved 5 to 655n. Telecoms shares remained active despite the seasonal pressures clamping trading volume generally. BT and Cable and Wireless notched up 11.9m turnover between them. with the former easing to 382p but C&W advancing a further 4 to 385p as rumours of talks with US telecoms giant AT&T

continued to circulate. The odds on a deal with AT&T appeared to shorten yesterday, with C&W shares seemingly shrugging aside the latest round of price cuts by its Mercury subsidiary, which is cutting the price of day-time calls to the US for big corporate customers by 55 per cent in the face of vicious competi-

of link between AT&T and Mercury could be forged early in the new year, with best bets pointing to the US group taking a sizeable minority stake. Bell Canada paid £480m for 20 per cent of Mercury in 1992. but that was before the present competitive squeeze took hold. TeleWest Communications lost further ground, closing at

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Analysts suspect some sort

172p - 10p below the recent flotation price - with only a handsessions before the the The research is not encourissue's stabilisation period

> ends on December 30. Irish building materials group CRH, which has announced nearly \$33m of US acquisitions in the past two months, jumped 9 to 355p. Among merchants, Wolseley dipped 4 to 780p.

Former building society Abbey National improved 2 to 436p as its subsidiary Abbey National Independent Financial Advisers announced an acquisition. It has bought the WF Company, which advises on the establishment and operation of small self-administered pension schemes.

Pharmaceuticals group Zeneca eased despite approval of its latest acquisition in the US as drug stocks were sold down following their recent gains. NatWest Securities described the company's acquisition of cancer-care group Salick as "a superb move vertically to integrate the group's cancer business". However, the shares fell 10 to 883p on profit taking after reaching a new

Elsewhere, Glazo dropped 8 to 673p. Wellcome 4 to 705p and SmithKline Beecham 5 to 466b. Many analysts are looking for a strong performance from the sector in 1995. Analysts said that after three years of lagging badly, it should benefit from rotation from cyclicals and a more upbeat picture for the industry worldwide. The

high earlier in the week.

market. Mr Mark Brewer, analyst at Credit Lyonnais Laing, argues that it could regain a 10 to 15 per cent premium on the market by the end of next year.

Among engineering stocks,

sector has a 1995 p/e ratio of 13

times, broadly matching the

NatWest Securities put out an add note following recent significant underperformance. The shares, lately hit by programme trades, have lagged behind the market by 12 per cent over the past month, Nat-West pinpoints robust profit margins and - in the longer term - the possibility of a of 75 vehicles.

"sizeable" acquisition. Motor trading and bus group Cowie put on 7 to 224p as hopes built for the success of the recent £33.1m rights issue. Lex Service gained a similar R Other statistics, Page 10

M CHIEF PRICE CHANGES YESTERDAY

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NEW HIGHS AND LOWS FOR 1994

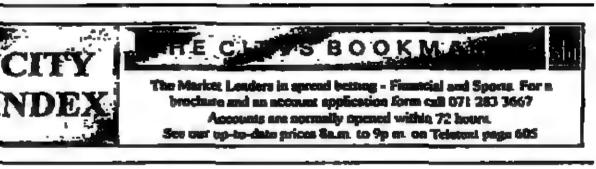
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amount to 300p but Incheape FKI hardened to 146p after retreated 4 to 435p following a cautious note from NatWest Securities.

Among transport shares, National Express added 4 to 291p while Stagecoach closed unchanged at 225p following news of its latest acquisition. the £4.25m takeover of a Scottish bus company with a fleet

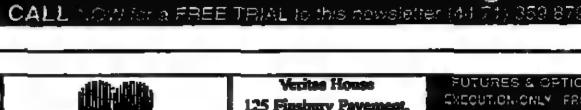
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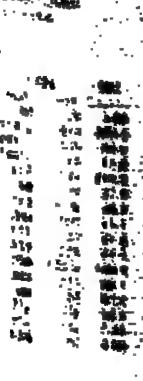
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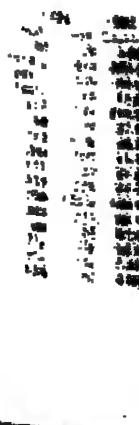
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Scalfaro gains support in fight to avoid early polls

By Robert Graham in Rome

Italian President Oscar Luigi Scalfaro yesterday received an important boost for his plan to avoid early elections in the wake of the resignation of the Berlusconi government.

Support for prolonging the parliament came from Mr Roberto Maroni, the interior minister and head of a large faction within the Northern League, a former coalition partner. His faction had been reluctant to break with the outgoing rightwing coalition headed by Mr Silvio Berlusconi, who wants the president to call early elections.

Mr Scalfaro, who can either find a new government or dissolve parliament, made clear that he viewed a snap election as disastrous for Italy.

The president believes elections can be held only when electoral laws have been improved

told the RIA-Novosti news

agency that he would accept com-

which have been refused.

Mediator

Continued from Page 1

for the 162-game season to more

than \$32,000 a match, want noth-

ing to do with a salary cap. They

think it smacks of the indentured

servitude from which they have

worked over the last 25 years to

with plans to start next season

with minor league players,

including, possibly, Michael Jor-

dan, the retired basketball super-

star who enjoyed only modest

success last season as an out-

fielder in Birmingham, Alabama.

But the players have already

gone to court to stop the import

of foreign professionals from

Owners have also advised the

sport's umpires, involved in a

separate contractual dispute, that

they will all be fired on January

1. If they are deemed disposable,

then who needs Jimmy Carter?

Europe today

central Europe as it weakens.

The zone of high pressure which has influenced conditions in Europe during the last few days will slowly flow into

A deep depression near iceland will push colder air from the northern. Atlantic into Europe. A strong southwesterly air flow will develop over the UK, Scandinavia and the north-west. A band of rain will form over the central

Sunshine and cloud will alternate and

conditions will be dry in most of Europe. Spain will have plenty of sunshine, while

most other Mediterranean countries will

Mediterranean will flow eastward. There

will be cloud and rain and occasional

thunder. The south-westerly air flow over northern Europe, the UK, and the north-western continent will continue

next week. A white Christmas is not

may be snow on higher ground.

expected for these areas, though there

have cloud and rain.

Five-day forecast

The zone of low pressure over the

south of the border and Asia.

dispute will now go to court.

escape. This being America, the

he said.

and clear guidelines and controls are established for the media, as three commercial television channels are controlled by Mr Berlusconi's Fininvest business

Mr Berlusconi said "a very important company of the group" could be sold in coming days. "Riections are inevitable." Mr Berlusconi insisted.

Mr Maroni opposed the decision by Mr Umberto Bossi, the Northern League leader, to bring down the Berlusconi government by putting forward a no-confidence motion. In the past week, he has been co-ordinating some 40 "dissidents" among the move-

That split within the League appeared to strengthen the hand of Mr Berlusconi and his allies. the neo-fascist MSI/National Alliance, which has insisted there is no alternative to early elections. However, Mr Maroni's position

now means that almost 60 per cent of the deputies in parliament oppose early elections. He is also against Mr Berlusconi being allowed to form a second government, and wants him to resolve the conflict of interest with his ownership of Fininvest.

Mr Maroni stated publicly for the first time the motives behind Mr Berlusconi's strategy of early elections: "He [Berinsconi] wants to capitalise on [public sympathy] immediately because he won't be able to sustain this wave of sympathy for more than two months.

In beginning a series of formal political contacts yesterday, the president started with former presidents Giovanni Leone and Francesco Cossiga. The main discussions will not be until next

Fear of failure may reunite Northern League, Page 2

B&B to sell home Army split on Chechnya loans by telephone Continued from Page 1

mand of the Chechen operation, if offered, but only to get the troops out of Chechnya. "From the military point of view, the Russian army should never have entered Chechnya," Gen Lebed, whom a recent poll its branch network.

showed to be the most popular The scheme, to be launched in commander among his military the spring, is intended to compeers, has criticised the operation pete with Direct Line, the before. But his intervention might aggravate what is now a highly charged situation. The Ministry of Defence is still denying a RIA-Novosti report on Thursday that six senior commanders had been dismissed although unofficial sources say they have offered resignations.

> B&B's telephone-based mortgages will have an interest rate similar to that of Direct Line, which will be achieved partly through not having to carry the costs of a branch network.

the fact that it should be a lowerthe property value available as a way.

loan is likely to be about 75 per cent - some mortgages sold through branches are available

The scheme carries some risk be able to apply for the mortgage Other building societies and

banks have already set up telephone services, but these have been combined with a branch service. Interest rates charged have been the same throughout, and have not reflected the lower costs of not having to maintain a branch network.

This trend will continue next year when the UK's two largest building societies - Halifax and Nationwide - enter the telephone risk operation. The percentage of mortgage market in a substantial

By Alison Smith

Bradford & Bingley Building Society is set to become the first high street lender to provide a "phone alone" service, offering mortgages at a lower interest rate than those provided through

telephone-based insurance subsidiary of Royal Bank of Scotland. Direct Line began selling home loans earlier this year and offers repayment mortgages to existing customers at 7.14 per cent. The standard interest rate charged by most mortgage lenders is between 8.09 per cent and 8.14 per cent.

The pricing is also helped by

for up to 95 per cent of the value of the home.

B&B, the UK's seventh largest society, aims to attract new customers through the venture. To differentiate the product, the marketing will use just one bowler hat where the society's trademark is two.

that the society may deter potential customers, as they will not at a branch.

QE2 trapped in N York

FT WEATHER GUIDE

The owners will also go ahead | Continued from Page I

promising our safety standards. and we have had a Marine Safety Agency inspector on board who signed a safety certificate (in Southampton]." The MSA is the British government agency

responsible for safety at sea. The US Coastguard also said there were openings in draught stops in the ventilation system, which close during fires to prevent the passage of flames and fumes, and there were holes in fire-containment bulkheads.

Speaking from on board the QE2, one passenger, who asked

not to be named, said passengers were "bitterly disappointed" by

sengers who did disembark, and give them a free cruise next year. The QE2 had been due to leave New York at midnight on Thursday for the Caribbean, but was still lying at the passenger ship terminal on Manhattan's west side in the early afternoon yester-

the latest delay. He said Cunard

had offered to repatriate any pas-

Cunard in New York said: "The coastguard said refurbishment work needed to be completed. We expect the QE2 to sail at 6pm New York time]."

BNF loses German contract for Thorp

Resources Editor

British Nuclear Fuels has lost a multi-million-pound German contract for its Thorp reprocessing the anti-nuclear lobby.

The cancellation is a blow for BNF, which is currently negotiating a number of long-term contracts for the plant at Sellafield. Cumbria, built over 10 years at a cost of £2.5bm.

Thorp's economic prospects.

repository instead.

Krümmel is 50 per cent owned by Hamburgische Elektrizitätswerke, the municipal utility controlled by the city of Hamburg which is run by the Social Democrat party. The Social Democrats oppose nuclear reprocessing because it produces plutonium.

sible in Germany this year following law changes and the start of construction of a repository in Gorleben, north-west Germany. Direct disposal is also favoured by utilities because it is cheaper than reprocessing.

the second 10 years of Thorp's operation, from 2004 to 2014, and involves around 125 tonnes of spent fuel. Krümmel still has a contract for the first 10 years which it will see through because Gorleben will be unable to accept spent fuel for a number of years. BNF said it was disappointed by the cancellation, but pointed out that the contract represented only 4 per cent of the order book

would also have to pay "significant" cancellation charges. The company said the value of the contract was less than 1 per cent of the £9bn revenues so far

for Thorp's second 10 years. The

secured for Thorp. Mr Graham Watts, BNF's inter-

The bulk of Thorp's business will come from UK nuclear power stations. But foreign contracts are essential to the long-term survival of the plant. Capacity in the first 10 years is sold out, but only 40 per cent of the second 10 years

In order to secure German con-

By David Lascolles.

plant because of pressures from

It comes just a year after RNF

won a licence to operate Thorp, following a bitterly contested battle with environmentalists in which BNF put great weight on The Krummel nuclear power

station in northern Germany has told BNF that it has decided to dispose of spent fuel from its reactors in an underground

Direct disposal has become pos-

The cancelled contract covers

owners of the Krümmel plant

national director, said he had no indication that other German utilities were about to cancel contracts with Thorp, but in the worst case he estimated that BNF could lose 20 per cent of orders in the second 10 years. He said that would not affect the viability of Thorp, which was based on projected revenues for the first 10 years of its life.

has been sold.

tracts, BNF has been offering optout clauses, but the cancellation charges rise each year. They are due to rise again on January L

THE LEX COLUMN

Year-end options

So far, this has been a remarkably poor year for equities. The FT-SE 100's efforts at a rally petered out yesterday, leaving the index down nearly 10 per cent since the start of the year. The total return on equities has been minus 6 per cent, only the third time in 20 years the rate has been negative. The average return on gilts during the past five years is now higher than for

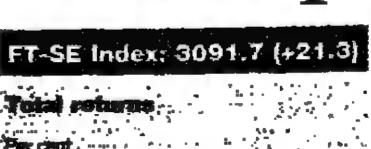
But the year is not yet over. Last December, the index achieved a 6 per cent rally, posting a 50 point rise in a single day between Christmas and New Year. The surprise holiday period increase was caused by the expiry of a series of over-the-counter option contracts. The contract writers and their clients can make significant profits if the index ends at a certain level Given the traditionally low volumes during the holidays, it is easier for them to drive the index where they want. Hence the surprising volatility. That does not mean the market will move sharply upwards - it could equally fall. But the year-end could yet prove interesting.

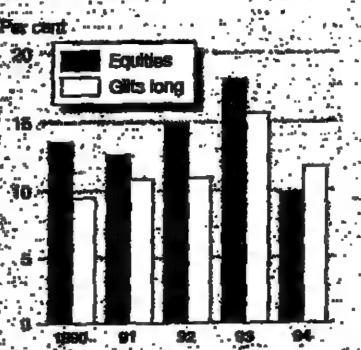
The forces driving this month's short-lived rally - merger and acquisitions - will not disappear. Companies, holding ever greater quantities of cash, are on the hunt for targets. The market's fall this year make these look decidedly cheep. The favoured sectors include merchant banks, electricity and water, and the second-oil stocks following Premier Consolidated Olifields' disclosure it was interested in Pict Petroleum. Little is likely to happen until the new year, but further M&A activity should support the market in the coming months.

European cyclicals

German steel, chemical and engineering companies' shares have given the German stock market a fillip this week, raising a broader question about the investment attractions of so-called cyclical stocks. These are manufacturing companies with earnings strongly geared to the ups and downs of economic cycles. Their share price performance tends to run in advance of developments in the real economy, but not to the extent seen in the current

With some obvious exceptions, such as British Steel, the best performing share in the FT-SE 100 index this year. shares in European manufacturing companies have underperformed consumer goods companies in 1994. Since July, the underperformance amounts





to more than 10 per cent, paralleling in a subdued way what has happened on Wall Street, where consumer stocks have outpaced manufacturers by more than 20 per cent since March. That this should be happening at the point where cyclical companies are generating large increases in earnings is not in itself anomalous; expectations of such increases powered outperformance in the shares long before the communies moved out of losses.

But arguably cyclical companies' earnings power is stronger than expected this time round, and the path to the peak of cyclical profits longer than predicted. This reflects improvements in the productivity of European manufacturing industry following widespread rationalisation. For next year alone, European manufacturing companies' earnings are set to grow approximately three times faster than consumer goods companies - by nearly 50 per cent compared with 18 per cent. Hoechst's announcement this week that it will be raising prices for some of its fibres by 5 to 10 per cent early next year points to encouraging price resilience. Consumer goods companies have defensive qualities but cyclical stocks are due for a second round of outperformance.

Japanese economy

The latest batch of economic statistics confirms the weakness of Japan's economic recovery so far. Next year also looks set to be below par. The government's 1995 budget, promising the lowest rise in public works spending for five years, will offer much less of a fiscal stimulus than last year's. Meanwhile, capital investment, the

foundation of previous recoveries, continues to lag. Although it may be near the bottom after a four-year decline, any pick-up in corporate investment is likely to be muted. Industry is ambling along at less than 75 per cent of capacity. That is about the same level as during the aftermath of the first oil shock 20 years ago. Despite the recent unturn in corporate profits, the average return on fixed capital remains miserly, explaining companies' inclination to keep their money in the bank

Given the economy's sluggish progress, the Bank of Japan would be wise not to raise interest rates. The Bank is clearly concerned about inflation, its worst nightmare after the late 1980s bubble economy and its disastrous aftermath. But the large output gap which has emerged during the recession suggests that inflation fears are, for now, unfounded.

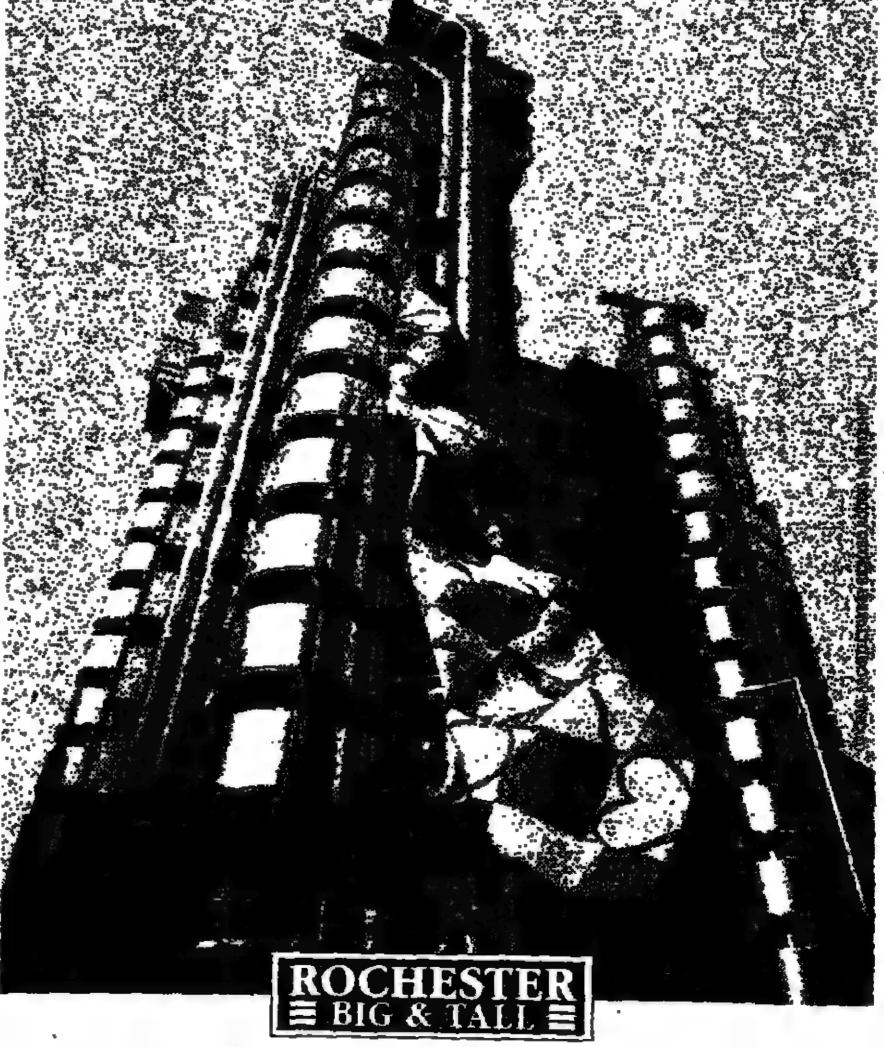
As government spending weakens in 1995, the industrial economy will need an easy monetary stance just as much as it did in September 1993, at the depth of recession, when the Bank cut the official discount rate to resist a deflationary stide. The Bank has been nudging overnight rates down over the past week. That angurs well. It is, perhaps, evidence that its new governor is - contrary to the markets' worries - trying out an accommodative monetary policy.

US mutual funds

US small shareholders have been looking at their investment returns for the year to date, and are disgruntled. Domestic equity investments have not risen at all, while bonds are down about 6 per cent. The poor performance has led to a marked decline in investment in mutual funds during the course of the year, combined with a gradual increase in redemptions. In the first 10 months of 1994, net inflows into domestic bond and equity funds ran at a monthly \$10bn, half last year's level. Net domestic investment shrunk to \$8.1bn in October.

Data due next week for the month of November are likely to show a further acceleration of this trend, although the full impact of the 75 basis point increase in US short-term rates in late November will be seen only later. Higher rates encourage a switch into cash. The impact of outflows will be felt not just in US financial markets but also elsewhere in the world: approximately one eighth of mutual funda' assets is held overseas.

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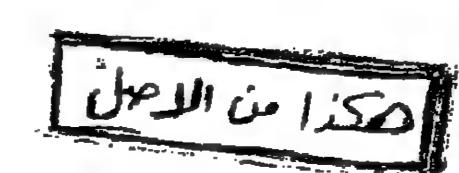
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Weekena

John Paul II's absolutist approach is upsetting Roman Catholics. Robert Graham and Paul Betts report

Twilight crusade ot an obdurate Pope

faith and morals for the world's 950m Roman Catholics. emerges tomorrow on the main balcony in St Peter's Square to deliver his traditional Urbi et orbi Christmas message, there will be the usual cheers of "Viva il Papa". But there will be none of the spontaneous explosion of enthusiasm which greeted his first appearance on

1 25 25 7

the same balcony 16 years ago. The crowds and the Roman Catholic church as a whole were stunned by the election of the first Polish Pope and the first non-Italian in 455 years to sit in St Peter's chair. He described himself as a man "from a far country" amid the mars of the faithful

They saw a vigorous and --- charismatic man - a swimmer. footballer, skier, and actor who had fought communist oppression in his native Poland and seemed decidedly the man to lead the Church into modern times: a social reformer launching a revanchist crusade to re-introduce Christianity into the modern secular societies of the west and re-invigorate the Church's missionary drive in the developing world.

But with old age creeping up on him, the Pope's photogenic figure is increasingly stooped. Although he continues to attract huge crowds and his spirituality remains unchallenged, his reputation is more and more at risk from his con-

Instead of confidently lead-

ing a united Church into the third millennium, his moral and theological conservatism is creating divisions within the Church by alienating Catholics in modern industrialised society as well as provoking unholy wars between radicals and traditionalists in the developing world.

Some accuse him of fundamentalism in his uncompromising views on abortion and artificial contraception. Many have been angered by his intolerance against dissenting Cath-

critic of John Paul II, said the cameras."

Marxist-inspired "liberation theology" has led to fierce battles within the Church during the Reformation.

from feminists and homosexuals to New Age devotees, all seeking an individual expression of their faith.

religious are threatening the

olic theologians such as Hans Kung, the German who questioned the Pope's infallibility. The Pope's defence of celibacy has continued to drive priests away from the priesthood in large numbers. Just before he died, Graham Greene, a Catholic convert and

Pope reminded him of Ronald Reagan: "He was a former actor and liked crowds and In Latin America, his refusal to endorse the message of

between radical priests and conservative bishops and a loss of Catholics comparable to that In North America - with 60m Catholics, the Church's single largest source of funds he has alienated many different interest groups, ranging

In Africa and Asia, the appeal of traditional native



Roman mould. Even in his mands the approval of 53 per native Poland, the popularity cent, but that compares with in the world, he sees religious and to organise a special is inevitably beginning to preof the Church has fallen. "Send the priests to the

moon" ('Ksieza Na Ksiezyc') and other anti-clerical slogans appear regularly in the streets of this most Catholic of countries. "Those who save most are the people who avoid the priests," is another favourite. But probably the most cruel is a variation on the old anti-communist slogan, "get rid of the red". Now they are saying, "get rid of the black".

For the younger generation, the Church has to some extent replaced the old communist authoritarianism. It still com-

more than 90 per cent when the communists were in power. Although 63 per cent of Poles still go to church once a week. one third of these do not believe that the Church serves society well.

These dangers - and criticisms of the Woityla pontificate - are increasing at a time when the Pope's health can no longer be taken for granted. Since a fall in April breaking his right leg, he has appeared frail. Rumours of his illnesses abound. And, at the age of 74, he looks like a man working against the clock.

decay and decline," explains John Cornwell, an author and Cambridge University academic. "He is wonderfully holy, but the Church is not only about good and evil but also all about politics with its right-wing, centrist and leftist

John Paul II's mission remains unchanged: "You must lead the Church into the third millennium," his Polish mentor, Stefan Cardinal Wyszynski, told him when he was elected in 1978. Now, the main tasks he has set himself are to achieve a reconciliation

"Everywhere the Pope looks with the Orthodox churches jubilee for the third Christian

> Meanwhile, his global odyssev continues: his 63rd pastoral visit, in January, will be one of his most arduous embracing the Philippines, Australia, Papua New Guinea and Sri

Nevertheless, the question of which direction the papacy occupy the Church.

The forces for conservatism are strong. The Pope has ensured that the college of cardinals is well stocked with his own appointees. The formal proclamation of 30 new cardinals, on November 26, ensures that the conclave electing his

Continued on Page XII

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Brainteasers Arts quiz Bumper crossword



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Interview: Snow White explains how to live happily ever after

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NEXT WEEK War and Peace

Truth of the Matter

Hosannas in the high street

Hugh Dickinson enjoys a throng carolling all the way from the cathedral to the shops

erately illegible. He or she was shocked and dismayed to see a senior dignitary of the church rubbing shoulders with the president of the chamber of commerce, the pantomime dame, the mayor, the chairman of the district council and the giant hobnob on an occasion "which simply advertised the commercial materialism of Christmas".

cently with a friendly glass of dry sherry for civic officials in the cathedral chapter house. The occasion was the switching on of the city lights for Christmas. We processed into the cathedral to find about 800 citizens of Salisbury eagerly waiting to sing their first carols. Various official personages read the familiar lessons - the protocol for these events is always tricky. Which bit of the story is, as it were, senior? Everyone was in fine voice and as we processed out we had to step over round-eyed children sitting in the middle of the aisles waving silver bai-

loons. No shock or dismay yet. Outside the Cathedral, in the windy darkness, the Salvation Army Band waited. As we companed our way out into the high street a further 1,000 citizens coalesced around us.

There, awaiting us, towered the 15ft high figure of Hobnob. his face freshly painted and his cheeks rouged. He tends to swing in the wind a bit as he rotates on the four pairs of legs beneath him.

We surged after him to the entrance of the shopping mall - he bad to go around as the archway is too low. Gathered around an empty fountain, the Salvation Army trombones struck up with festive sonority. Startled pigeons leapt out of the eves. "Thus spake the seraph and forthwith appeared a mighty throng

It all started quite inno-The mighty throng at the other end of the mall was singing the same carol but a different verse. A group of teenagers outside Millets were singing their own words smid shrieks of laughter - I wonder if they were the same words I laughed at 50 years ago? Crammed against the win-

dow of a charity shop, full of artificial snow and secondhand dresses, we bump into the theatre director wiping the steam from her glasses. "Fancy seeing you here!" we say with equal surprise. The wife of a local landowner, with two long-legged daughters in incredibly short skirts, blows kisses at us across the singing heads. The good humour is

almost tangible. The pantomime dame, in a scarlet wig and a saffron ballgown, has climbed into the

fountain. "Ooh! There's the vicar!" She screams in mock horror, blowing kisses, too. "All glory be to God on high," we yell back. Her bosom has slipped and is wildly asymmetrical. Familiar faces and complete strangers

smile and sing. The mayor, a small and sprightly woman, is in danger of being swamped. She has a minder who seems far more

'It's raining stars,' says a small boy perched on his father's shoulders

worried about her heavy gold chain with enamelled medallions than about her personal safety. A quick grab and it would disappear in the crowd. She might, too. Some doughty councillors close in around her and we push on to

the market square. Hobnob has already arrived and another 2,000 people are crowded in front of the guild hall by an avenue of four Christmas trees. The traffic has come to a resigned halt with drivers leaning out of their windows.

Children climb on to their

fathers' shoulders waving glowing wands or wearing Martian head-dresses with iridescent feelers. Somewhere another choir is cheerfully battling with the elements and a complex eight-part carol.

We struggle through the crowds behind the Salvation Army which is heading the final push for the safety of the steps up to a Palladian por-

On a small floodlit stage to one side, a comedian in white bow tie and tails has been keeping the crowds amused over a loudspeaker system which carries to only the first 15 rows. Beyond that is jolly pandemonium. A bus honks

A flock of starlings takes off from the plane trees. On to the stage climb the mayor, the panto dame, the council chairman, the mayor's minder (his eyes glued to her neck) and Mr Tourism and Leisure.

The church hides discreetly behind a white stucco pillar where a small girl is being quietly and efficiently sick. Pink ice cream. Two pink ice creams by the look of it. I get 10 yards of loo paper from the toilets to mop it up. So I miss the district council chairman's speech. A reporter spots me and prays fervently. "O God, I wish I had a camera." Prayer. mercifully, not granted.

microphone. He is a real pro

and knows just how to work the crowds. "Did you hear the one about Father Christmas and the rain, dear? He got dreadfully wet!" They love it. But here comes the big moment. The council chairman starts the countdown to the Big Switch On. "Ten, nine, eight...two...one. Bingo!"

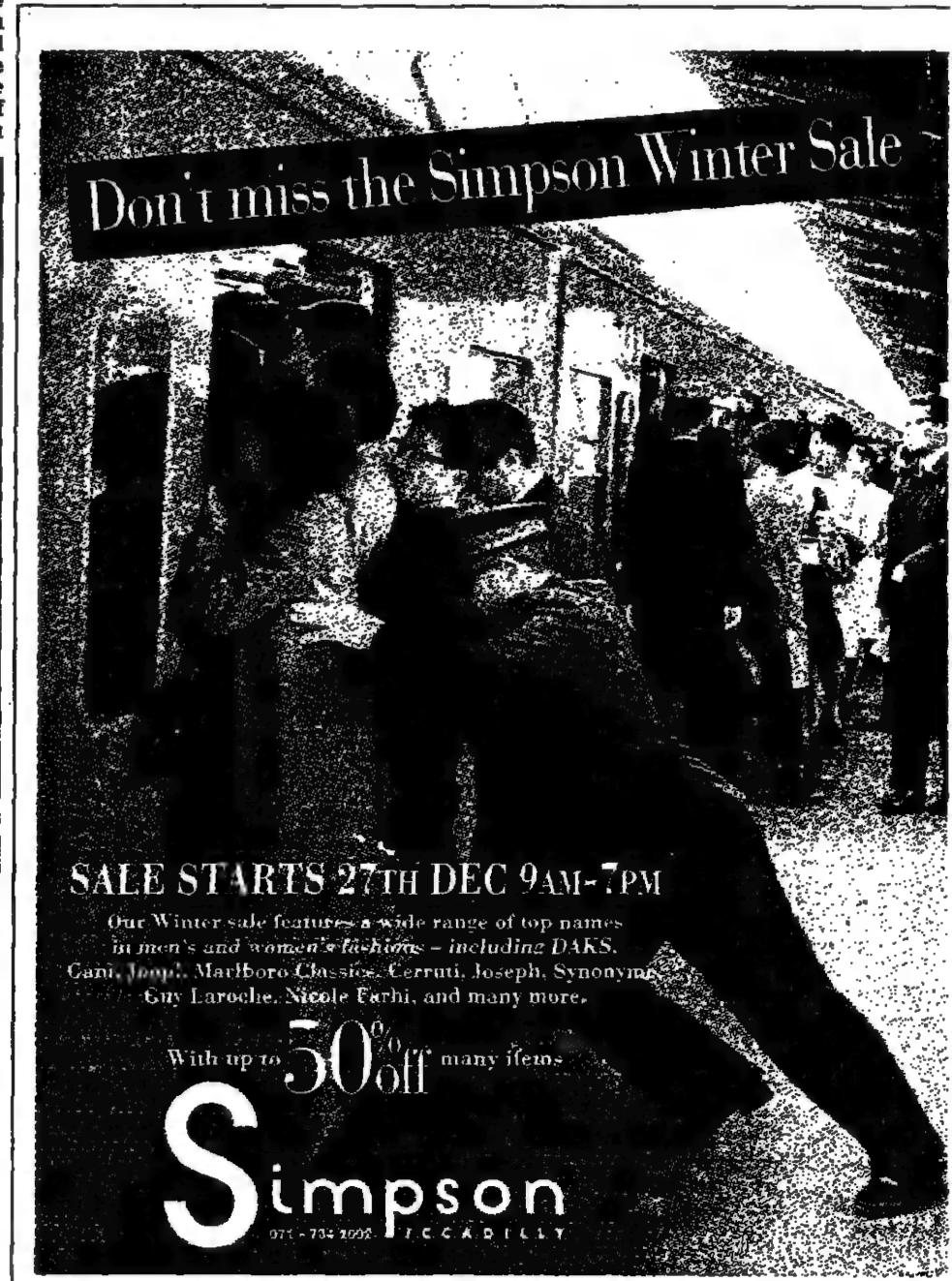
The Christmas trees light up. All the shops around the square follow with their own illuminations. From the roof of the guild hall, fireworks scatter burning embers on upturned faces. Those of us in the portico rush out into the crowds to get a glimpse of all those angels in the sky.

A baby in a pram looks up and chuckles. Embers are falling all around so I hold my umbrella over it. "It's raining stars," says a boy perched on his father's head. As the laughing crowds dis-

perse we wedge our way against the tide, heading for mulled wine and mince pies with the civic authority, the mayor and the dame. We look back over the seething square. This is what it is all about the holy and the secular rolled into one rich human texture. You can keep Regent Street.

And Oxford Street. This is community. A little bit of heaven. Sorry, Shocked and Dismayed.

Now the panto dame has the # The Rt Rev Hugh Dickinson is the Dean of Salisbury.



SIMPSON PICCADILLY SALE - 203 PICCADILLY WI - OPEN MON-FRI 10AM-TIM - SAT 9.30AM-6PM

DAKS SALE AT DAKS SLOANE STREET SW1 - OPEN MON-SAT 10AM-6PM - WEDNESDAY 10AM-7PM

national market with an initial

duction of "fairy lights"

cent of the world market, and

ens of such factories churning

drew blank looks. Miss Song, a

19-year-old from Guangdong

sies of western consumers.

PERSPECTIVES

nothing sacred? Chinese entrepreneurs have gone into business producing Father Christmasses with both Oriental and Caucasian features for the local and international

markeis. According to Xia Jinglan, the sales agent in Beijing for Xianieng, one of the manufacturers based in China's southern Fujian province, "western" Father Christmasses have bigger noses, deeper eye sockets and a sterner visage, while their Chinese counterparts appear more benevolent with rounder, happier, less threatening oriental features.

When we think of an occasion like Christmas," she says, "we imagine our own symbols of happiness like a plump, smiling baby carrying a big fish at Spring Festival."

Generations of children in the west might not agree with the Chinese perception of a sterner, gruffer Santa Claus, but increasingly they are being exposed to Christmas ornaments and decorations, including the ubiquitous Saint Nicholas (or is it Nicolas) himself. carrying the "Made in China"

At hundreds, if not thouna's southern regions from Shanghai to Shenzen, the economic zone adjacent to Hong Kong, lowly-paid workers, most of whom know nothing of the Christmas story, are producing what are called "seasonal" items for a huge western mar-

In the Baoan district near the Hong Kong boundary, which has emerged as the Letter from China

Seasonal sweatshop greetings

From Shanghai to Shenzen, lowly-paid workers are producing decorations for the west, reports Tony Walker

headquarters in China of the Christmas-decoration trade, there are more than 200 factories making gifts mainly for North American consumers. No reliable statistics are available as to the sheer volume of Chinese output of so-called "seasonal" products, but according to Tony Cheng, the Taiwanese owner of Delta Smooth Ltd, which manufactures poly-resin items, China supplies "at least" 50 per cent of the \$2bn US market for such festivals as Christmas, Hallow-

e'en, and Thanksgiving. Much of that production comes from a tangle amonymous grey structures in the muddy streets and alleys of Baoan which has proved a magnet for hundreds of thousands of workers from China's impoverished hinterland, including particularly the provinces of Hunan and Sich-

leap of imagination to make the connection between these dank and depressing surroundings and the perfumed counters of top department stores where some of these escapist products are destined for the pleasure of middle America.

Gaily-painted glass-domed musical boxes with nativity scenes and fake swirling snow

could hardly contrast more

sharply with the 19th century "workhouse" surroundings in which they are produced. The Yuletide spirit evoked by tinny-sounding times such as "Wewish You a Merry Christmas could not be further removed. from the experience of the country waifs who work 10hour shifts moulding and painting these items.

But to local officials, such as the deputy party boss of Songgan township in Baoan country, there is no "contradiction" involved in the world's largest atheistic state producing items for religious festivals: after all "business is business".

"We don't care about this religion or that religion. We only care about production." says Yang Bateng. "We don't produce these souvenirs for Christianity, we make them for business sake " So the manufacture of souve-

nirs continues around the clock in Baoan, a huge outpouring that is flooding western consumer markets in a rising tide of seasonal kitsch. mass-produced at an unbelievably low cost. Cheng's business is a perfect example of the explosive growth in Chinese souvenir trade. He established his factory in 1989 with a staff of about 200. Five years later, he is employing 1,100 and is about to open a third enter-

prise - in Shanghai - to provive here. Otherwise we would have to compete on price, and He has invested that's very difficult," he says, (2600,000) in his business and is in a reception area dominated planning a further \$1m in ment. In his first year of operaist shrine and a wall-slogan tion he shipped \$1.5m worth of that reads: "To attract fortune goods, mostly to the American. and expel ghosts."

market, and this year expects

Cheng's experience is, in a exports to reach \$12m. Producway, revealing of the difficultion in 1994 includes 1m Santa ties of doing business in Chi-Clauses based on more than 50 na ... and also the rewards. In different designs, including an the past year dozens of local improbable Santa armed not Chinese enterprises have with a stave, but with a basebegun producing seasonal decorations, including counterfelt "Every day, almost, we have copies of Delta Smooth's own a new item. That's how we surdesigns; such is the cut-throat

nature of business in China

THIS SEASONAL

PRODUCT IS POLITICALLY

CORRECT AS IT COMPLIES WITH

FAMILY POLICY

OUR "ONE CHILD PER

But Chang is not complaining. With labour costs in Baoan a fraction of those in Taiwan, labour intensive activities are proving a winner for early entrants to the field. although costs are rising. Wages have shot up by 35 to 40 per cent in the past year, but still remain about one tenth of those paid in Taiwan.

Incredibly, low labour costs also proved enticing for the Tung Tat Electrical Co of Hong Kong which, in 1988, established a factory producing

China now adorn their windows with Christmas decorations and the sound of Christmas carols wafts through the interiors of some of the smarter emporisms to encourage a buying mood as in the

At the Yaohan department store, on Beijing's main boulevard, business around the Christmas lights for the inter-Christmas decoration counter workforce of 70, now grown to is brisk with smartly-dressed young Chinese buying baubles, tinsel and Santa Clauses of Again no reliable statistics are available, but China's provarious sizes and shapes to decurate Christmas trees at accounts for at least 50 per home. One door-knob decoration improbably invited purchasers to buy it so they could Tung Tat is merely one of dozoffer their friends a "lingly, out lights of various shapes Kris-Kringly welcome"

and sizes to satisfy the fanta-Liu Fang, an employee of a joint venture company, is typi-Luk Yeuk Chun, one of those cal of a growing number of producing decorations in Songgan, says: "There's money in Buddhism too. Any religious belief can generate good busi-On the Tung Tat production lines, where young men and women, many still in their teens, fashion strings of lights from bits of wire and glass. questions about Christmas

province, who has been working in the factory for more than a year, said simply: "I heard it was somebody's birth-But ignorance at the shopfloor level of Christmas is not preventing more affluent Chinese consumers in the larger cities and towns from begin- his bed. He also revealed that ming to "celebrate" the Christian festival in increasing num-Father Christmas once...and bers. Many shops throughout he was a foreigner".

Chinese consumers who seem prepared these days to embrace almost any new fad or fashion, especially if it has a western flavour. "More and more of us are celebrating western festivals," she said, "like Christmas, Valentine's Day and Thanksgiving. This is partly because many of our friends have spent time in foreign countries and we are asse ciating more with foreigners." Christmas western-style is also infecting the very young. Among, children clustering around the Christmas decoration counter at the Yaohan store was a young man who said that his parents had for the past several years put presents in a stocking at the end of "when I was very little I saw

A whiff of sanity in the trenches

Alasdair Steven recounts a wartime outbreak of goodwill

t is 80 years since the momentous first Christmas of the Great War. When Tommy and Jerry stopped sniping at each other, met in the middle of No Man's Land and played football. A simple act but one that was never repeated and caused consternation among the High Commands.

Over that festive period, amid the carnage, mud, barbed wire and rotting corpses, sanity prevailed for a flickering moment.

Christmas 1914 was always meant to be historic. The German troops had been told at the outbreak of war in August that they would be home "before the leaves fell". The British that they would be home by Christmas. Disillusionment and homesickness were setting in in those inhospitable freezing trenches. The ghastly reality of unrelenting savage war was begining to dawn.

Accounts differ. But what is not in doubt is that on those barren flat fields close to Ypres, in the north of France, the soldiers of the two sides met and shook hands.

In The Times there are letters from officers in the field saying that "everything on Christmas Eve was dead, even our own pet sniper who normally sends over a good-night kiss at 9.15. Someone came running along the line and announced a truce had broken out."

Just how did such a thing happen? A graphic account in the Hustrated London News suggests that a German soldier walked through the lines bearing a Christmas tree. "He invited the troops to go over and have a smoke and a palaver; with one accord a truce for the night was signed. The compliments of the season were passed with much enthusiasm between friend and foe."

That story owes, perhaps, a certain amount to journalistic colouring. The accepted and authentic story goes thus: the lines at Ypres were only 25 yards apart. From the German lines came the strains of Stille Hacht, Heilige Nacht. The Germans shouted at the end: "Come on Tommy, it's your turn now," The British replied first with The

Pirst Nowell and then a rousing account of O Come All Ye Faithful. The Germans followed with Adeste Fidelis

The soldiers from both sides huddled in their trenches desperately trying to keep warm. The North Sea is only a few miles away and the

n western Europe at this

time of year, it is not

unusual for politicians to

L try to square their prac-

tices and beliefs with those of

Christianity. But their audi-

ence does not easily detect a

specifically Christian heritage

and rarely demands it. In Ger-

many, political parties main-

tain the adjective; elsewhere.

it has fallen by the wayside

through irrelevance or corrup-

The New Testament provides

an ambiguous guide to what is

the "right" form of social

organisation. In one parable.

chaps get the same payment

for working for an hour as

others do for a day. In

another, the shrewd investor

of his master's money is

rewarded with extra prizes,

ensures the capital value stays

intact is treated as a wastrel.

winds blow around Ypres and the surrounding countryside with an icy rawness. Arctic squalls make a to the scene of the 1914 meeting, a chilling experience.

Through this bleak mid-winter a German called out: "Come on Tommy, stand up." No Briton dared move. Snipers were about. The war was still very much on. No Christmas truce had been intimated.

Then the British soldiers spotted a German silhouetted against the wintry sky approaching singing a solo of Stille Nacht. Slowly, and with understandable caution, both sides slowly crept over their trenches. With mounting emotion this motley collection of foes met

The British soldiers spotted a German singing a solo of Stille Nacht

amid the shell holes and craters. Both sides were suspicious from the outset. Was it a trick dreamt up by Jerry? Suddenly there was chatter and laughter. People embraced. cigars were exchanged and jokes made. Tommies larked around in Jerry's Pickelhaube, the German spiked helmet, and photos were taken of stern officers and men not quite knowing how to look. But in the gruff, heavily-moustached faces there is evidence of a smile. The

eyes look relieved and at peace. A young German who had been to university in America did the translation. A German lieutenant asked a rather stuffy British major if he would send a photograph of himself to his sister in Liverpool.

The weird truce spread along the line for about two miles. A surreal atmosphere hung over those wind-

And yes, a football match was played. At first with a tin can, then a proper ball was found. Jackets and scarves were used for goal posts and "the Saxons beat the Anglo-Saxons 3-2".

The dead of both sides were buried with padres from each nation assisting at the service. There was even a local rule

agreed: "If by any mischance a single shot had been fired it was not to be taken as an act of war and an visit to a place such as Hill 60, close · apology would be accepted. Firing would not be opened without due warning on both sides."

The report in The Times ended rather colourfully with a grand overall picture of the incredible sight: "There were so many lights that it looked like Henley Royal Regatta on a Saturday night."

In certain places the truce lasted until new year. The Highland Light Infantry were settling down to celebrate the serious matter of the new year when a German popped his head round their dugout and wished them all a happy day: "We told him amidst much laughter that we were at war with him and he must play the game and pretend to

But the High Commands were furious. Central to the British war offensive was the belief that the Hun was an evil beast. If the ordinary British soldier started thinking otherwise he would automatically lose his will to fight and kill. A letter from a sub-lieutenant to his mother in Rirmingham bears this

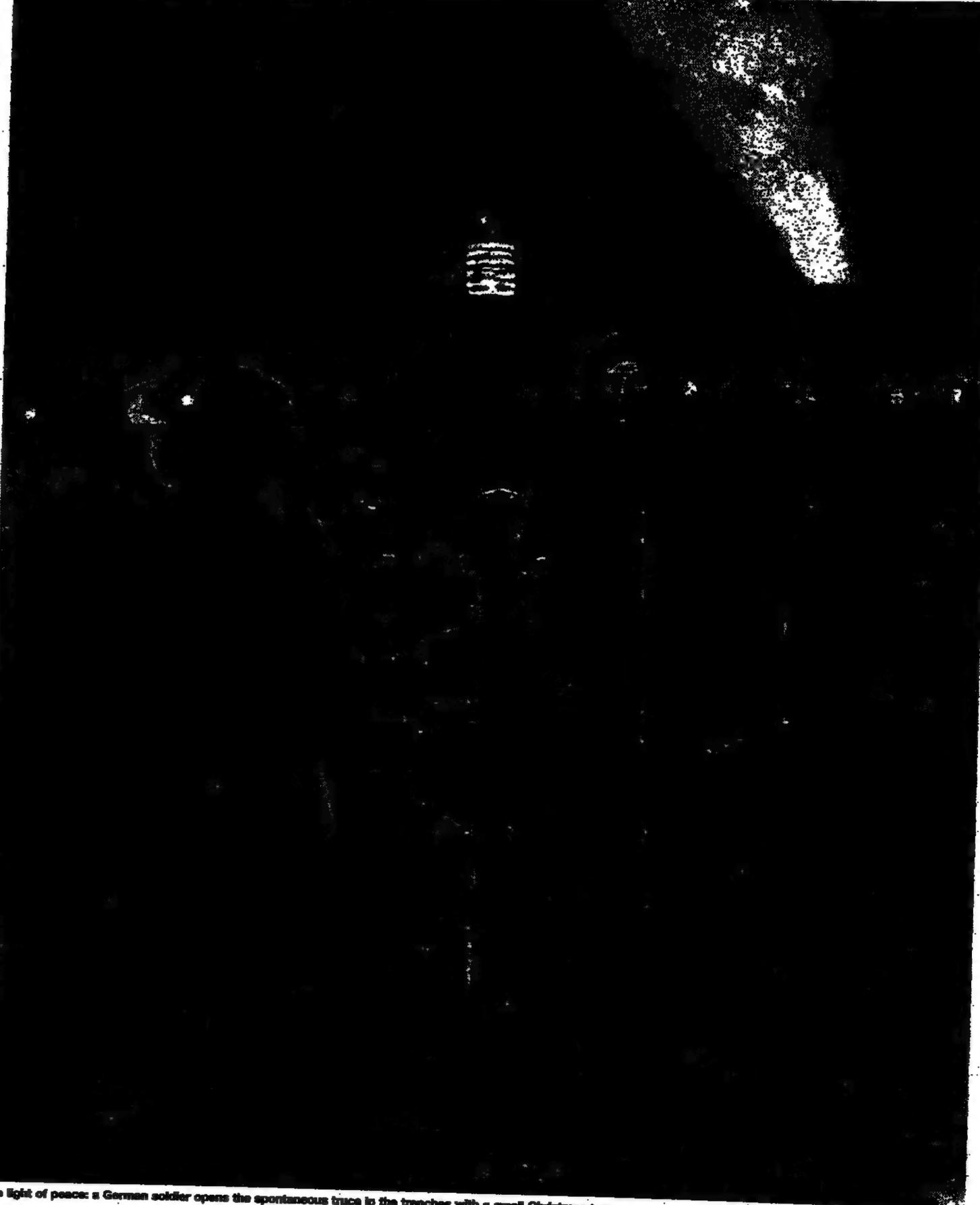
"It was amazing to realise," he wrote, "that the Germans were rather cheery characters, it seems silly to be fighting them." Any further fraternisation with

the enemy was banned. Indeed two British officers tried to repeat the experience the following year and were court-martialled

Today the truce of Christmas 1914 is one of the few attractive memories of the war. An oasis of sanity among four years of slaughter and

Strangely, the papers of the day were remarkably cool about reporting the event. In The Times, among the (horrifying) list of deaths and the advertisements for Harrods Sale (corsets on special offer at 13s9d) and a full-page Horlicks advertisement (at 136d invaluable for a genuine soldier) there are about half a dozen reports on the dash for peace

But Christmas 1914 proved the compassion of the ordinary man With unremitting turbulence and death scattered all about him the human spirit proved indomitable. If only the High Commands had listened to Tommy and Jerry the history of the the 20th century might have been very different.



The light of peace: a German soldier opens the spontaneous truce in the trenches with a small Christmas tree

As They Say in Europe / James Morgan

Christianity's cost-benefit analysis element whatever of social cians have seen it as a way to over decades, been subject to the anti-welfare practices of holds sway. Most remain true ples if one should prefer a cor- responsibility except in the express their view of social the same rise and fall

devil-take-the-hindmost capi-

Then we have the endless repetition of the saying: "To him that hath shall be given." This normally is used in a fatalistic manner - when millionaires win the lottery, for example, or bosses receive huge pay increases.

The contrasting traditions of political Christianity are, in fact, reflected in the American and the European way. The most powerful religious force in the US seems to reject any

The good Samaritan is enti-

tled to give a belping hand to the man beaten up by the lynch mob (although, in the Bible belt, helping the lynch mob has been the traditional obligation), but he would not want his tax dollars used for such support. The Christian right rarely puts forward any social policy beyond individ-

In Europe, the welfare state has been as much the product party. Many Christian politimorality in a secular world while still maintaining a religious thread.

The welfare state emerged as the charitable obligation of the well-off Englishman who believed that his privileges had to be paid for, through his own and other people's taxes. It was the preferred instrument of left-wing Catholics. such as Charles Peguy or Jacques Delors, who saw society as weighted permanently against the under-privileged.

In western Europe, the ideal-

ony of the welfare state has.

characterised the history of Christianity. It was shared, universal faith, but is no more. It acted as a form of social cement, but now is just as likely to exacerbate social division. Its decline started when people asked: "What's in it for me?" Those who work in the caring services were once a kind of priesthood; now. only medical staff enjoy the

same prestige. The welfare state seemed to guarantee a stable and even dynamic society; today, it is compared unfavourably with

east Asia and even the US. Its opponents argue that extensive benefits for the unemployed mean high levels of unemployment which, in turn, creates a thriftless and potentially unstable class.

Providing generous old-age pensions creates benefits for those who do not bother to make due provision for themselves, who fail to make their talent fructify. Even in Sweden, many have come to see the welfare state as the motor of economic decline, budgetary chaos and financial instability. Yet, in the European mind it

believers and resist government attempts to skrink welfare. The problem is that, like Christianity, it was meant to include everybody. Every citizen in many countries is born into the welfare state and still is a beneficiary to a greater or lesser extent. It even fulfils the demand that to him that

hath, shall be given. Today, in Britain, the talk is of "targeting" benefits. But once the welfare state is turned into the property of the poor and underprivileged alone, it will lose its popularity - and that will angur its

are paid into welfare funds that work exclusively for the benefit of other groups, the system will die in a tax revolt. It is instructive to see why there is no such revolt in the most heavily-taxed nation in Europe: every Dane employed in the private sector pays out huge sums out in taxes, then sees their partner get it back in unemployment pay or an equally highly-taxed state Wage. The system works in Den-

demise. If middle-class taxes

mark because every cost is seen as a benefit; in Britain, every benefit is a cost. Like Christianity, the welfare state will survive where individuals welcome its obligations in the firm belief that sacrifice today brings its rewards tomorrow. James Morgan is economics correspondent of the BBC World

AT THE PLANT OF THE PARTY. the behave their and a beimen and his parties on the state of Con the the water been Table (7) they be were The that will the start and State and Berting bei the best of the cuitable The state of the s Statement & But we Attention of the anglestates There bereiter to the state of tesd to better and them state ER HE SPORT OUT THEM IN. Share to the three We that I would be fore for Albert The Committee of the Co Charter will collected the

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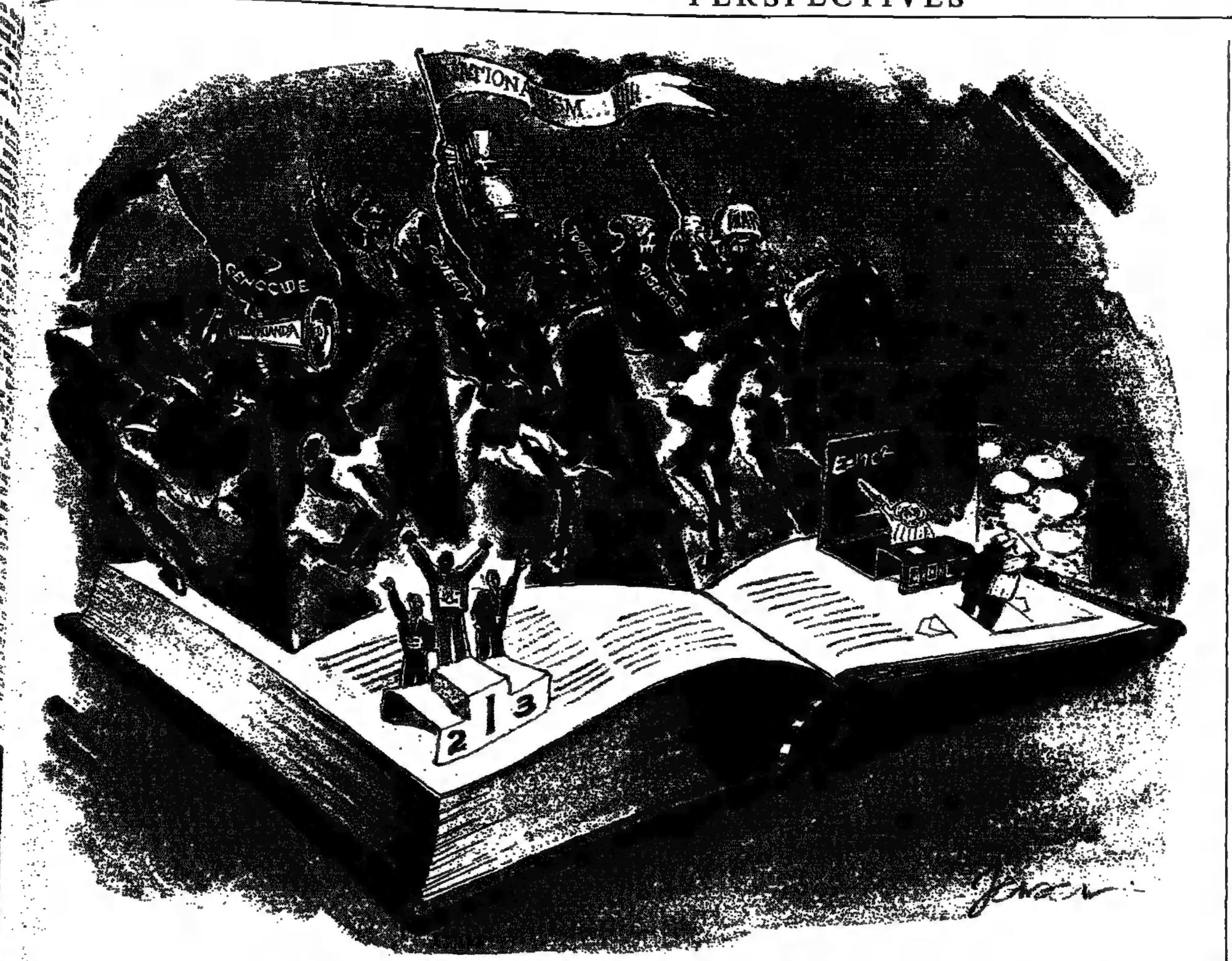
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The plot thickens for the century's final chapter

The novelist Ian McEwan explains how to read history like a book

were talking about the fall of the Berlin Wall, which I had written about in a novel. "You the arms of his father. lot." I said hoping to tease, The pages teem with interlacing plots in the manner of A "don't believe that anything Thousand and One Nights and actually happened in Berlin at the reader has to pick a way all." Once again, the same pitying smiles. Oh that! No one through. Like that classic, and like The Conterbury Tales, this believes that old stuff any book has about it a democratic plenitude because everyone gets to tell a story. The title is a little dull, but don't be put off it is, after Marquez A Hundred Years of Europe. Or shall

Troentieth Century?

we simply call this novel. The

It's pretty hard to begin

talking about a book this long.

We all have our favourite bits.

so why not be anecdotal? Per-

sonally. I like that moment

near the beginning when the

obscure young clerk with specs

twirls his conceptual lasso and

binds time, matter, space and gravity into two beautiful theo-

ries from which springs a

whole new scientific paradigm.

for the first performance of

The Rite of Spring, and I was

stirred by the tale of the young

doctor who, one grey afternoon

on an Oxford running track,

pushed himself to the first

In fact, if you only read the

chapters on scientific discov-

I was on the edge of my seat

But don't mock. Fashion is the very breath of our cultural energy, and we should no more deny it to intellectuals than we do to teenagers or dress designera Spawn a thousand creatures of thought, and time and usage will select out those fittest to survive. And it is in this sphit that I want to revive the mental miniskirt or skateboard of yesteryear and consider history as a text.

isten, my friend," a French academic

once said to me in

the early 1980s, "you are talking as if his-

and good-natured

of a roomful of conti-

European critics. Did I

low, they asked, that his-

was a text to be decon-

same group and this time we

tory actually happened."
We were speaking of the
Suez Crisis of 1956 which I had

written about in a libra. But sidn't it?" I said to the pitying

We have all been reading an immensely long novel and though we are in the final pages, mo one quite knows how it is going to end.

Its accounts of human misery and courage make the works of Primo Levi pale; its least unlovely characters could only be drawn by a godly Dosboyevsky; it has moments of invention that would have made Calvino weep with envy. and it attains peaks of tragic absordity that would have sent Kafka cowering for solace into

ery, artistic expression and sporting achievement and skipped the rest, you would end the novel beaming with pride and love for modern Europeans. What tumultuous

> We should no more deny fashion to intellectuals than we do to teenagers or dress designers

intellectual energy and curiosity! What humour, and brave, heautiful barings of the soul! What physical prowess and courage! What a people! But what you would have to skip is long, hard to read, and harder to understand. There are world wars, slaughter, torture, induced famine, forced migration, lies, propaganda and crazy ideologies and every

cruelty and barbarity imagin-

able, with corpses piled a mil-

disgusted by a mad and sickeningly repetitious tale of frenzied genocide in central Europe, of death factories and bureaucratic evil that seems finally to demolish his self-esteem, and cause him to damn all modern literature as an indulgent obscenity. Are we Europeans, with our "Demoiselles d'Avignon", our heroic discovery of DNA, our European Cup, truly as bad as this? If so, can we ever forgive ourselves? And might we do it again? Troubled readers will suspect that applauding or deploring disparate episodes will take us no nearer to an understanding of this mighty novel. What we need is to discern the plot of all the plots, and we could do worse than

lion deep page after page.

The reader is insulted and

try to think of a shape. A few years ago, when we were three-quarters of the way through, a plausible pattern for many was in the form of a V. From the imperial certainties and prosperity of the late 19th century, we descend into the mayhem of two world wars, reaching rock-bottom degradation with the Holocaust: from this point, roughly mid-cen-

tury, we rise through postwar reconstruction, social stability, the German and Italian economic miracles, the entrenchment of liberal democracies, and European integration. True, there are the grey tyr-

annies of the east, but even here optimistic readers thought they could detect slow, if erratic, liberalisation. This simple, satisfying plot appears trhumphantly vindicated by the events symbolised by the fall of the Berlin Wall. The second world war is finally over. Liberal democracies are inevitable everywhere. It is the end of history, some readers proclaimed, the end of this novel. But unread chapters

remained, and to some the V is beginning to look like a zigzag plunging from the peak of 1989 as the old viruses of the European disease, frozen to inaction by the Cold War, begin to swarm back into the bloodstream; on the fringes are racism, nationalism, xenophobia and anti-semitism.

Among the political elites, there is a new nervousness about the European project. and helplessness before genocide in former Yugoslavia: there is unemployment, home-

essness and recession; and everywhere that deep pessimism and ungenerosity of spirit known as the far right.

Even as our novel squares up to its resolution, we may yet see this zigzag transformed into an asymmetrical W, for in these days of the information revolution we cram far more on the page, and events move quickly. Also, it seems unlikely that the postwar generations of Europeans, with the night-mares behind them, will easily ahandon the consensual ideas that brought them prosperity

Besides, the plots I have been talking of here belong to the mainstream of the political culture, and there are almost certainly other grand patterns that may turn out to be more important.

The lives of women have been transformed, as have those of many working people. The environment has been degraded even as our anguish about it intensifies. Our electronic machines are becoming ever more interesting. The old are getting older, and migration is on the increase, as are anti-rational cults and religions of all kinds, with their attendant consolations and intolerance. According to literary fash-

ion, it is for every reader to

deconstruct this text. As we

begin to turn to the final chapters we had better start thinking about the reviews we will prepare, not for newspapers and journals, but for bars, cafés, kitchens and bedrooms. Our chosen literary form is democratic: the more we listen to the reckonings of others. hear how they shuffle the priorities and try to see the different shapes of plots they discern, the better we will understand for ourselves this gigantic sprawling novel that no one can put down.

Truth of the Matter

Delusions about charity

Max Wilkinson debunks one of the most enduring fables of the season

has been called the Wenceslas myth. Rightwing politicians give it ruder names. Modern socialists try to escape from it. Lady Thatcher battled against it. It is an obvious faltime or another, seduced by this powerful illusion.

Samuel Britton explained, is to believe that the state has money to spend generously on the people's welfare. Politicians often exploit this idea, for example by giving pensioners supplements at Christmas. The truth is that, unlike Wencesias, elected governments have not a penny of their own money to give to the poor. Governments spend other people's money, or money obtained by forcing taxpayers into debt.

Politicians may claim to express the generous impulse of voters when they distribute cash and benefits to the less well-off. We may heartily approve of this; but we should never allow our rulers to assume moral superiority, nor delude ourselves that the government can give us anything that we have not given to it. Wenceslas's winter walk. Brittan says, was a different matter. Like the present Queen of England, he had money of

his own to spend on castles, trumpeters, banquets, dogs (even, had he been less saintly, on loose women and song). So when he and his shivering page-boy took food and wine to the poor man underneath the mountain. Wencesias put his hand in his own pocket. Brittan used the Wenceslas myth to explain the limits of

government powers: that "what comes out must go in". The puzzle is that this economic truism has been so widely ignored and is even now considered by lecturers in some former polytechnics to be right-wing propaganda. But there is a greater puzzle:

why does anyone admire Wenceslas for his charitable exploit? Let us not be diverted by the "real" history of the 10th-century Bohemian chieftain (never a king) who inspired the carol. The question is, why should this songwriter's version of the story appeal so strongly to western imaginations?

Consider: it was (as told) an obvious publicity stunt. A more thoughtful Wenceslas would have sent the food to all the neighbouring poor a day or two before the feast of Stephen. Or at least he might have taken a manservant rather than an ill-shod page-boy. And apart from this thoughtlessness, why did he not call the poor man into the palace kitchen when he first saw him. rather than waiting until he had carried his bundle a league or more back to his cottage by St Agnes' fountain?

Suppose a modern version were told of Bill Clinton, Boris Yeltsin or even John Major. How ridiculous, the columnists would opine. The publicity people must be completely out to lunch. And a little boy in the snow, you say? Pass the

It is "obvious" that there are better ways to help the poor than by acting on a sudden sentimental impulse as Wenceslas did. So why do we so treasure this myth? And resent the attempt to debunk it?

An intriguing answer is suggested by recent biological studies into the "problem" of altruism. This old problem, simply stated, is: if we are descended by Darwinian selection only from those who sucfor survival, why does anyone give to the poor?

types would have been eliminated thousands of generations ago by the Joe Stalin and Adolf Hitler tendencies. A comparatively recent insight, explained by Richard Dawkins nearly 20 years ago and superbly developed in a recent book by Matt Ridley***, is that Darwinian selection does not necessarily make people selfish - just the genes that they inherit and

Even in the rawest Darwinian world, it is now clear that total wickedness does not pul-(Because, after the crooks have destroyed the naive altruists they rob each other.) Computer models show that the best survival strategy is "do as you are done by": fight the crooks but be nice to the nice guys.

Even so, as Christopher Badcock points out in a fascinating new book****. it will always "pay" an individual (genetically speaking) to exploit his fellow man if he can get away

There are better ways to help the poor than by acting on a sudden sentimental impulse as Wenceslas did

with it. Naturally, the fellow man has reacted by evolving ways to avoid being exploited One of these is the ability to see through con men. But con men retaliate by evolving ever more subtle ways of appearing

The best exploiters, says Badcock, will have been programmed genetically to believe genuinely in their own goodness. Then they can pretend to be saintly without betraying themselves. But since human genes are all mixed, we are all now partly "altruists" and partly "exploiters" (genetically). So we all believe in good moral behaviour for all of us. This gives us the best chance to jump the queue.

Unfortunately, this belief makes us vulnerable to really plausible rogues, fanatics, impenetrable con men and yes. just the kind of person who would take a small boy on a charity walk through deep snow on a stormy night.

And if you think this is going too far, reflect that the real Vaclay Wenceslaus killed many of his neighbours in the conquest of other tribes. He was made a Christian saint after his murder in 929, but many whom he converted to the God of love had been made widows by his sword. *The Role and Limits of Government (Temple Smith, 1983) **The Selfish Gene (Oxford.

*** The Red Queen (Penguin 1994 £7.99) ****PsychoDarwinism (Harper Collins, 1994, £16-99).

ow's the weekend?" said the policeman as I wound down the window of my car in a dark slip road lit

four-minute mile.

It was not the weekend, it was a Tuesday, and the policeman was not interested in how I spent my spare time, he was asking for In the month before Christmas in

officers flagging me down.

only by the waving torches of the

Nigeria this question comes any day of the week from people who stop your car, ranging from a gate man at a carpark to a soldier on patrol with a Kalashnikov rifle. In many parts of the world, you

can see from the tinsel in shop windows that there are fewer than 30. shopping days to Christmas; in Nigeria you can tell from the numper of roadblocks

Officially, the readblocks are to stop crime. In practice, the roadblocks are also a prime source of income for security forces whose basic salaries are below subsistence level, that is if they have been paid at all. Surprisingly for a military regime, even the armed forces get no pay for two or three months at a

The second of th

Same and the same

A little something for the weekend In Nigeria, the police use roadblocks to ensure motorists pay their Christmas bonus, writes Paul Adams

is late at night, it can be risky if you do stop: a friend was recently attacked by a drunken policeman at a readblock. In the daytime the police are on the look-out for traffic offences and will jump into the car and seize the keys or insist on being driven to "the station" which usually means a quiet corner where They take money from them as well he can negotiate the "fine".

At most roadblocks a joke and a few words in pidgin English or a local language, even from a foreigner, can often do the trick. Demanding your rights gets you nowhere at all.

The seasonal message sometimes comes with as much humour as menace, "It's December, time for Christmas bonus." a jovial policeman told us at a roadblock between Lagos and Benin recently. "We

They searched a jerry can in the car, thinking that we were illegally carrying petrol, but found it contained water, then demanded to see the car documents. "No. They are all in order." said the driver. They gave up and we drove off. "They are rogues, thieves," said the driver. "They do not stop criminals.

and let them go."

Not only professional drivers are hardened against the police. Many Nigerians regard the spate of roadblocks with contempt. But the police do not always get their way. Last week a friend came to see me unusually late, even by African time. "I'm sorry," she said. "I had to go to my home with the police. They wanted the originals of my car documents. They know that no

idiers, it is risky not to stop. If it have to eat," said another. copies, in case of armed robbery. them nothing." she said. "It would have been easier tust to give them money, but they were so rude and arrogant I decided not to give them anything. I told them the

Letter from Lagos

'It would have been easier to give them money - but they were so rude'

originals were at my house. They got into my car, we went home and showed them the papers. Then they said they had no transport to get back to work and I told them

If confronted by armed police or haven't had our salaries and we one here carries originals, just the that was their own fault. I gave head just in case but they did not In Nigeria, cheques and credit cards are often useless; people need to carry cash, sometimes large

sums of hard currency since for-

eign exchange controls were

imposed this year. A businessman taking a taxi to the airport to go on holiday was recently stopped by the police in a dark street. "They ordered me out of the cab and frisked me," he said. "In my top pocket I had \$2,000 in eash. I refused to open the pocket so they said we would have to go to

the police station. They knew that if they delayed me long enough I would miss my flight. "The taxi driver and I got back in the car and as the policeman walked around to the other side to get in, the driver put his foot down

state police. They are fighting an uphill battle. Last week, the spare wheel was prised off the underside of my car in full view of six security guards outside a "secure" block of flats. Recently, the chief of security at the British High Commission had his car hijacked by three armed

robbers.

The police are powerless to deal and left him standing. I ducked my with these games, who roam Lagos

at night and attack private homes and cars, often with military precision and automatic weapons. Sometimes the military are the source of the weapons, particularly disgruntled soldiers returning from the war in Liberia.

In some cases, the robbers are soldiers. A senior Lagus police officer recently told a local magazine that he had appealed to the state governor to curb crime among the Officially, the roadblocks are army. A sergeant earns N800 a increased to deal with the higher month (worth \$36 at the official rate of crime which is part of the exchange rate, but much less in run-up to Christmas, "Our people real terms). This is less than half are working overtime and we have the pay of many domestic servants. put administrative staff out on Yet the police can see military pernatrol to curb crime and we have sonnel driving new cars that it been successful - the crime rate is would take more than a lifetime's much lower than this time last salary to buy. year," said a spokesman for Lagos

The police say that they do not tolerate extortion and bribery. "If a policeman demands money, you should report it to us. Members of the public are our mirror." says a police spokesman. But the public know that the victim of a crime can find himself arrested when reporting it if the criminal has squared the police. Corruption in the security forces, as in most services and professions in Nigeria, has become a way of life.



A suitable case for treatment?

Jackie Wullschlager on a skewed interpretation of the life of the youngest, saddest Rossetti sibling

nce upon a time there were four beautiful gifted Anglo-Italian children who lived in a happy family in London. They grew up in great harmony, drawing and writing precocious poems, but then suddenly they were adults and their fates diverged.

The two boys had bright careers as a civil servant and an artist. They were agnostic and open minded and socially popular, they had romantic entanglements and both eventually married for love. In their forties they earned between 2800 and 22,000 a year. But the two girls stayed at home and turned away suitors in favour of a blazing religious fervour. One became a nun, the other looked after Mama wrote devotional verses, and sufdowns and illnesses. Their annual income rarely rose above £50.

The story of the Rossettis is a dazzling illustration of the social economic and emotional conditions of middle-class Victorian England and as fascinating a tale of family dynamics as any novel. It threads in and out of this biography of the youngest and saddest sibling, Christina, like gold braid, illuminating her loneliness with the lively colour of her brothers. Dante Gabriel and William; bringing warmth into her often arid and bigoted life.

Virginia Woolf once said that if she were bringing a case against God, Christina Rossetti would be her first witness. Christina's pious rhapsodic verses - the Christmas carol "In The Bleak Midwinter" and the self-denying funeral poem "Remember Me" are now best the Victorians that she was a strong contender to be Poet Laureate when ject seem more appealingly contem-

CHRISTINA ROSSETTI by Jan Marsh Cape £25, 634 pages

Tennyson died. But her religion brought her little comfort. As Dante Gabriel's famous portrait of her in "Ecce Ancilla Domini" and "The Girlhood of Mary Virgin" suggest. she was awkward, over-serious and tormented. She slashed her arms in frenzies of self-disgust, and she was so fanatically guilty that she would not tread on a piece of paper in case the word God were written on it. In a conversation about economics. she believed it blasphemous to refer to the "almighty dollar".

She is not an easy focus for a biographer, and Jan Marsh has wild speculation to make her sub-

porary. Why was Christina depressive and earnest and secretive? she asks. Compare her with the other great Victorian writers whose creativity came out of frustration and spiritual agony - Hopkins and the late black sonnets, Charlotte Bronte and Villetie - and the answers seem clear: lack of opportunity, emotional and social repression, the

strangleholds of narrow moralism. They are not enough for Marsh. however, who locates the heart of Christina's life and work in the trendy theory of child abuse. The evidence? Afternoons spent alone with Papa when he had lost his job and Mama went out to teach. The result? The oppressive sexual imagery of characters like the voracious Mouth Boy and the boys and girls studded with quills and slime in sis on an obsession from 1990s psy-Christina's children story Speaking Likenesses and her fairy poem "Gob-

If every work of literature which employed this sort of imagery were rooted in sexual trauma, the history of literary biography would be the history of child abuse. Both unhappy (e.g. Dickens) and happy (e.g. Nabokov) childhoods are the vital inspiration for some of our most haunting literature. But it shows grave critical misjudgment to interpret images and symbols as revealing of childhood experiences

in the literal way Marsh does here. Fleshed out with quotations from contemporary abuse victims to substantiate the unprovable, and written in thudding prose, this is a skewed biography. Christina Rossetti died 100 years ago this month and her story is still of historical interest; this book, with its emphaart of historical reconstruction on which biography depends.

Monstrous metaphors

Chloe Chard on the Frankenstein myth

feel surprised and relieved. stein, Creation and Monstrosity, to discover that Mary Shelley's novel and the myth that it founded can still generate reflective, happily exploratory forms of commentary. All the contributors, in other words, seek out complexities and eschew easy generalisations.

Ludmilla Jordanova, for example, ing" is "a remarkably precise secluded study, Mary Shelley "nointed up the importance of balancing acts, not the unproblematigeneral or of Frankenstein in particular". Jordanova sees Shelley's novel as participating in a more general "ambivalence surrounding a thirst for natural knowledge" in early 19th century Britain; at the same time, she presents the novelist as grasping perfectly "the fantasies of (at least some) medical practitioners of the time", fantasies that prompted doctors and scientists to express themselves in the height ened language of "sudden light" sublime visions, and an eroticised unveiling of nature:

Many of the essays concentrate less on the creator than on the monster and on monstrosity in general. Louis James's essay includes an entertaining account of monsters onstage: Mary Shelley's novel was first performed as a play in 1823. five years after its publication. James places the moment when Frankenstein brings the monster into being in the tradition of "the moving statue" sculptures that come to life, as the statue of Hermione does at the end of The Winter's Tale. Moving statues, he suggests, provide metaphors for the power of theatre itself to combine "intense subjective experience" with "objective, highly stylised forms of appearance, speech and situation"

Stephen Bann, in his introduction, firmly steers the book away from the usual preoccupations of literary critics - Mary Shelley's troubled life, the struggle between sublime aspiration and contented domesticity - by touching on some quite different early 19th century monsters: the composite creatures that the Roman Catholic country squire and impassioned taxidermist Charles Waterton put together out of diverse stuffed animals, adapted in some instances to acquire human faces. Waterton provides, amusingly, a fortuitous point of contact between the Frankenstein myth and the Dracula tradition: during his

travels in South America, he not only collected specimens as both the raw material for monsters and for feats of taxidermy in which he sought to shock his audience into the impression of a live animal, but displayed a parallel fascination with campires by habitually sticking his that a vampire but might hite it! Jean Louis Schefer, in the con

cluding essay, establishes a more general thematic connection between "the two great fantastic novels": "If the frenzy of the test tube monster suggests that feelings have been pumped into a creature that is not ready for them then it is also true to say that Dracula marks the return, in a different guise, of this shattered, or unfulfilled, state trace links between vampire legends and the Christian doctrine of the Eucharist: "The resurrection of the deceased, his presence which remains real in deliance of time, the blood of sacrifice as a means of regeneration, the consecrated bread: all of these themes in Bram

FRANKENSTEIN **CREATION AND** MONSTROSITY ed. by Stephen Bann Reaktion Books £25 (£10.50 pbk). 215 pages

Stoker's Dracula are present in two different ways: they are available for sacred purposes, but also for evil ones, in a devilish form of parody that follows the same ritual.

Michael Fried introduces monsters of a less familiar kind: the array of half humanised animals. gradually reverting to their bestial nature, produced by the eponymous doctor in H.G. Weils's Island of Dr. Moreau. He traces within this "scientific romance" an obsession with monstrous faces, which he sees as characteristic of a more general recurrence of "the disfigured, usually upward turned face with staring but unseeing eyes" in writings that he terms impressionist ("the practice of ten or so authors - Conrad and Kipling, for example working in the English language chiefly between 1890 and World

War I"). Fried pursues the role of upturned, monstrous faces as metaphors for "those things that, beforeall, actually lay before the writer's eyes: the upward facing sheet of paper itself, in the first place blank but soon covered with script".

It should be clear by now that this book goes off at many tangents. energetically taking up the themes of creation and monstrosity as a source of productive starting points. To adopt a cinematic parallel: reading it is more like admiring the bolt through Boris Karloff's neck than averting the gaze from Robert de Niro's puckered scars.

A lust for possession

Christian Tyler falls for Gibbon

t was V.S. Naipaul's Mystic Masseur, I think, who bought books by the yard to impress his visitors and more important - to flatter himself.

You will know the feeling. It overcame me, this unworthy. guilty desire, a couple of weeks ago when I found myself gazbreeze-block in the window of Thornton's bookshop in Oxford. It was Edward Gibbon's Decline and Fall of the Roman Empire, the complete work in three volumes, seductively dressed in black and white designer jackets with chipped inscriptions and broken columns printed on the

of October 1764," wrote Gibbon, "as I sat musing amidst the ruins of the Capitol, while the barefooted fryars were singing Vespers in the temple of Jupiter, that the idea of writing the decline and fall of the City first started to my mind." Did I want to read Gibbon? I don't know. Like everyone else who has never done so, I had been taught to think of him as the father of modern history and the finest prose writer of his age. Occasionally, people would nominate the Decline and Full as the book to take to the desert island.

Fear of the question "Have If prose was music. Gibbon vou read Gibbon?" has never kept me from mixing in polite society. After all, how many people could honestly answer "Yes"? Did I, then, want to fill a gaping knowledge gap? Perhaps. At school we followed the Romans up to the time of Traian and Hadrian. The Dark Ages remained dark and **Evzantium** was a brilliant blank. Nothing was allowed to happen until the Italian Renaissance.

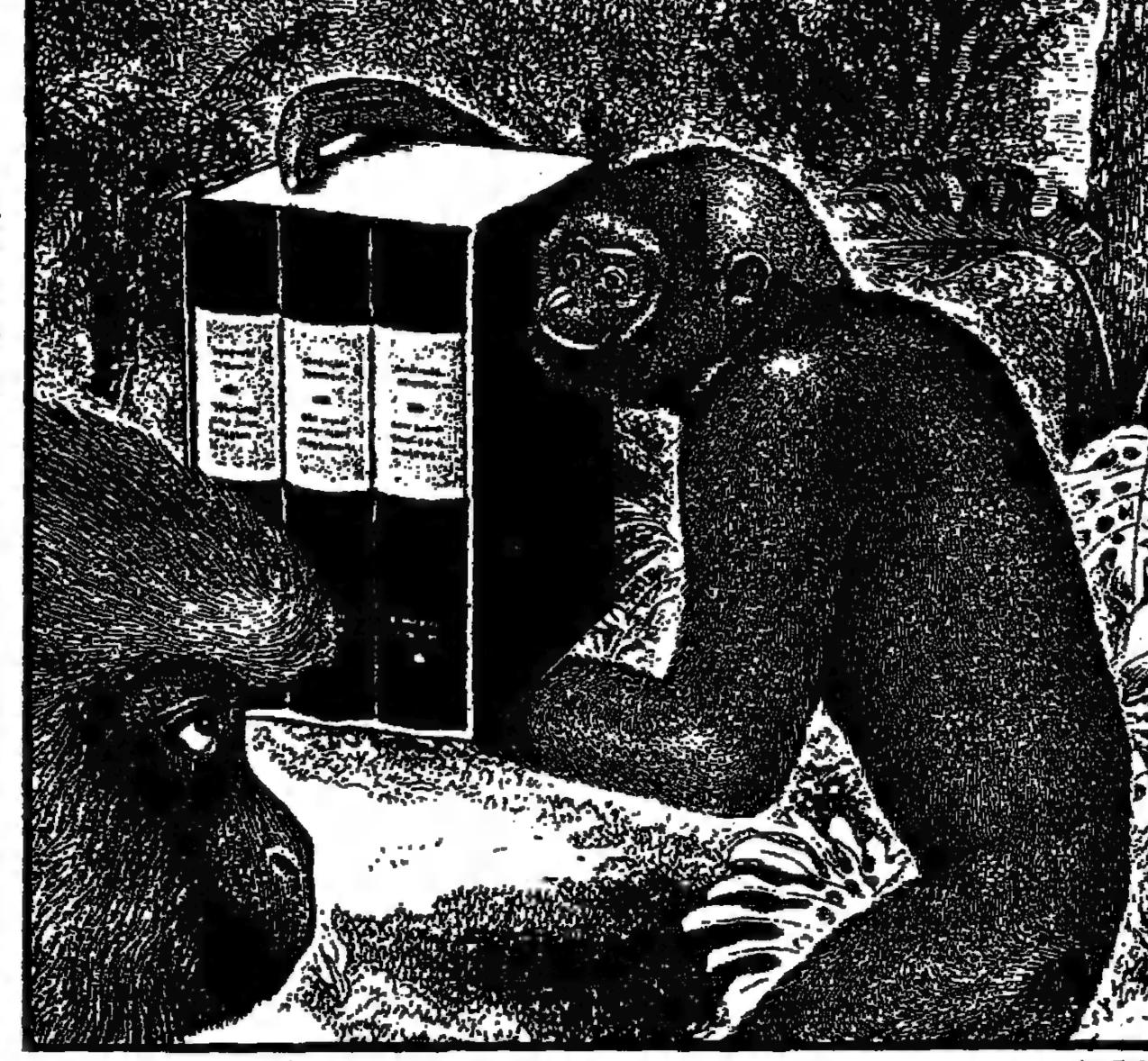
Also, I was conscious, standing outside that bookshop, of the youthful pretension which in the 1970s made me collect all 11 volumes of the definitive modern edition of Samuel Pepys's diary. They have stood, accusingly, on the top shelf

There were any number of excuses for buying Gibbon's great tome, but no convincing reason. It was like buying a pair of shoes without trying just for the look of the label. The fact is, at that moment, I just had to have it. When I got the box home,

unwrapped it carefully and carried it like a baby to the bathroom scales, proudly watching as the arrow swung over 9lbs. I took out the three volumes sized them up, smelt the chemical whiff of the pages and took off the jackets to inspect the chubby black bodies

I even sampled some para-graphs, picked at random. The connoisseurs are right. Even read silently Gibbon's sentences have a majestic rhythm, like the gentle pounding of heavy machinery, which propels his meaning effortlessly off the page. It is not the familiar iambic rhythm of a Shakespeare, more the triple-time beat of Latin verse hexameters. would be a Haydn or Mozart, showing off his wit and invention within the familiar limits of classical style.

There are two modern editions of the complete Decline and Fall on the market now. The three-volume version is published by Allen Lane at £75. and is edited and introduced by David Womersley. For £50 Everyman is offering a six-volume, two-box set, a revision of its 1910 edition with an intro-



duction by Hugh Trevor-Roper. The Everyman version is attractive, a bargain at the price, and a good deal more portable than the other. But Womersley's imposing edition has the advantage of a somewhat larger typeface, is stuffed with notes and appendices, and

includes Gibbon's own Vindica-

tion, the reply the historian made to critics outraged by his secular account in chapters 15 and 16 of the growth of Christianity.

Womersley's 100-page introduction, an essay on Gibbon's "philosophic historiography" is hard going for the inexpert and had me running for the dictio-

nary more than once. (Try "stochastic" for size.) Not surprisingly, his own writing appears to have been infected by the Gibbonian beat - not always to good effect. But I liked his comment on Gibbon's way of life: "Because of an amiable tendency to regard expenditure comfortably exceeded his income." So it is the lust of possession.

tempered by self-satisfaction. which has brought me at last to the foothills of Gibbon's prose mountain. All that remains is to climb tt. I hope the view is as wonderful as luxuries as necessities, his

In the steps of Stevenson

this month, so it is no surprise that this year has brought a batch of books by and for fans of the great man. Two of the latest are first-person travel books "in the steps of Louis, as he was called; this is certainly not a new genre, but one of the pair - Gavin Bell's In Search of Tusitala - is almost entirely successful in a modest, unpretentious way. Bell is a Times foreign corre-

spondent who took a handshake from Murdoch and went off to the Oceania for eight mouths to track down the last years of his fellow Scot. He simply tells the story of what happened to him as he zig-zagged around the Pacific, following as precisely as possible the route of the two South Sees voyages of RLS, his wife Fanny, his stepson and his mother: from San Francisco to the Marquesas, the Tuamotus, Tahiti, Hawaii, the Republic of Kiribati (which used to be called the Gilbert Islands) and, in the end, Samoa.

"The 20th century, by and large, has not been kind to Oceania," writes Bell - he had been there before and was not expecting a tropical paradise but he seems to have had a nappy and occasionally dramatic time, which included an erupting volcano, a visit to Father Damien's leper settlement, and a terrifying underwater encounter with a 13-foot sliver-tip shark. He recalls, and agrees with, Stevenson's comment that among these islands he had drunk "that warm. light vin du pays of human affection ...

He finishes, as all disciples must, at Vailima, the grand house (complete with a seldomused Scottish fireplace) where RLS spent his final three-and-ahalf years. It was derelict, forlorn, unmagical, and about to

be restored by three Mormons. Hunter Davies gives a fuller, slightly more recent picture of Vailima, but in other respects The Teller of Tales is a less. satisfying book. He follows Stevenson not just in the South Seas but round the world and makes a stab at a distinctly chatty biography. while not claiming to have any particular revelations. This style encourages him to embark on speculation, often of a sexual bent, which rarely seems helpful: what were the marital relations of Mr and Mrs Stevenson senior? Did "intimacy" occur between the

by Gavin Bell Picador £15.99, 333 pages THE TELLER OF TALES by Hunter Davies Sinclair-Stevenson £17.99

IN SEARCH OF

TUSTTALA

young boy and his beloved nanny, Cummy (what an outrageous notion)? Did he sleep with Fanny Sitwell? Was the second Fanny - his American wife - mad or just menopausal? (or both, or neither?) But the root mistake is to interleave the biographical chapters with Davies's own "Letters to Louis" - "I'm writing these present-day letters because I thought it might amuse you to hear what's been happening to some of the places you once knew so. well ... " It is a device no doubt intended to allow Davies to write about his own travels, but the tone is so matey, in contrast with the sparkling brilliance of Stevenson's own letters, that it is surely a gimmick from which his publisher might have deterred him.

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Tor Russians and the complete find this is the grantes the same to the same destable to the destable The Later to Printing the street. The Children of the State of th the state of the same of the state of And of the chairs of thirties. But der Bleist der f. Berger ... A the little of the same of the same of the thirtheath of the Park Ber R. Man fol Saffi. Saisting foldigitation ... Fred Briefe to the State of the dina this takes a the first profession of the line of the state of the stat the faction of the state of the Childs are replaced the property of The state of the s

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hina's stranglehold on Tibet, the restless Himalayan region which it occupied in the 1950s, has tightened these last few weeks. Fierce propaganda campaigns against the Dalai Lama took off in Thasa last month and fresh Chinese investment began to pour in. This is all part of China's classic strategy of pacifying sensitive border areas with hordes of Chinese immigrants. Beijing has updated it by adding money in the hope of swamping dis-

affection with greater prosperity. This bad news for Tibetans makes the appearance of these two excellent books doubly welcome. Both deal with modern Tibet - modern in this context meaning after 1970, the initial year of China's post-Cultural Revolution reform. Both seek to explain the 1900s political protests against China by analysing Tibetan religion and society.

Until the Chinese occupation, Tibet had been isolated and remote. ruled by the Dalai Lama and with a unique and ancient Buddhist culture. While not rich in the modern sense, it was easily self-supporting. in preceding centuries it shifted in and out of Chinese influence

The struggle for autonomy

Chinese brutality has given Tibet a greater sense of unity, argues Colina MacDougall

BOOKS

(contrary to Chinese claims) moving fully under Beijing rule. After the fall of the Qing empire in 1911 it gained total independence. The 1950s occupation set off a

series of desperate revolts. In 1959 the Dalai Lama fled to India; and Tibet then endured almost 20 years of oppression and hunger. In the Cultural Revolution nearly all its 13,000-plus monasteries were destroyed and its traditional agriculture ruined. With the reform in the late 1970s came a yearning to practice Buddhism without constraints and a new generation of young Tibetans to protest at Chi-

Both books are indirectly the upshot of the demonstrations in Lhasa in September-October 1987 in which the police killed and beat up a number of participants. Schwartz. a Tibetan-speaking Canadian sociolon October 12 that year. He found a group of foreign travellers already collecting information to pass on to journalists and human rights workers who were barred from Tibet. Barnett is the director of the London-based Tibet Information Network which sprang from the same group and now publishes documents on contemporary events in Tibet_

There are few modern booklength studies on the area and, as Tsering Shakya points out in his introduction to Resistance and Reform in Tibet, this absence of scholarly interest has allowed the field to be dominated by polemics from Beijing and the exiled govern-

The vacuum generated a conference at London's School of Oriental and African Studies in 1992 (the revised papers form the backbone of

CIRCLE OF PROTEST: POLITICAL RITUAL IN THE TIBETAN UPRISING by Ronald D. Schwartz Hurst & Co £12.95, 263 pages

RESISTANCE AND REFORM IN TIBET ed. by Robert Barnett & Shirin Akiner Hierst & Co £12.95, 314 pages

volumes between them go a long way towards remedying the deficiency.

Schwartz's account is an analytical narrative of events since the 1987 protests, fleshed out with his considerable knowledge of Tibet. These protests culminated in three days of riots in March 1989, after which martial law was imposed on Tibetans do not want riches, prefer- appointed by Beijing which is how or external for greater freedoms.

Lhasa for 13 months. Arrests and prison brutality followed, many monks and nuns were expelled from their religious houses and troops posted in the monasteries. Since then Lhasa has been ringed with troops and the plain-clothes police

presence on the streets has become

overwhelming.

The Barnett book deals in aspects of Tibet rather than narrative. History, ethnicity, nationalism, religion, all figure as part of the bigger picture it provides of Tibet's struggle for its own identity. Perhaps uniquely for a western book on Tibet, it contains contributions from Chinese scholars.

One is Wang Xiaochang, an economist, who though he clearly respects aspects of this Himalayan culture (unusual for a Chinese since most despise Tibetans as savages). simply cannot understand why ring to spend their money on renovating temples. His comment encapsulates the yawning gulf between Chinese and Tibetan culture.

Both books reveal key facets of modern Tibet, especially the importance of Buddhism. While urban Tibetans sometimes succumb to the blandishments of a consumer society, in the countryside villagers rebuild monasteries with their own funds and staff them with their sons and daughters. These young recruits to the religious life (and not the "Dalai clique", as the Chinese unremittingly allege) have been the mainspring of the chiefly non-violent protest movement.

Interesting and previously unpublished details of political intrigue in Tibet are hinted at in these pages. These are not just a matter of Tibetan versus Chinese, or even of who's who in the Chinese hierarchy

lished a book on the future of

Europe, The Impending Storm

- "England has no need to

worry for its future so long as

it can produce such a prodigy

as Somerset de Chair" wrote a

At 21 he married Thelma

Arbuthnot (the first of his four

wives), who resembled the film star Norma Shearer: they vis-

ited Hungary, where they were treated like royalty; at 23 he

was adopted as Conservative candidate for south-west Nor-

folk, and was elected the fol-

lowing year. On the outbreak

of war he joined the Household

Cavalry, was quartered in Pal-

estine, and was the intelligence

officer of the force that took

Baghdad and later, Palmyra.

in 1941. During the latter cam-

paign he took a bullet from a

French fighter plane through

the ankle, and Morning Glory

ends with him convalescing in

This is not a new book; it

was first published privately in

1988, and the second half,

describing the campaigns in

the Middle East, is a reprint of

two earlier books, The Golden

On their appearance in 1943

Though de Chair shares

some of Lawrence's character-

istics - Sir Ronald Storrs

described the books as "a plea-

surably exocentric narrative of

events" - this is an overstate-

ment; they are, however, full of

vouthful vitality and effective

descriptions. Though not a reg-

ular soldier, de Chair was a

resourceful and unorthodox

intelligence officer, and took

iconoclastic pleasure in the

Seven Pillars of Wisdom.

a hospital in Jerusalem.

Hungarian newspaper.

scholars traditionally approach Tibet. There are key rivalries among the local Chinese military from different armies and between Tibetans from different backgrounds. These can significantly affect how policy is implemented.

Though still deeply Buddhist, Tibet is no longer isolated in a medieval mindset. Voice of America now has a Tibet language broadcast and important news like the Dalai Lama's 1989 Nobel Peace Prize travels fast. For all its harshness, the Chinese occupation has updated attitudes. In fact its very brutality has given Tibetans a greater sense

Both books refrain from predicting the future. China's hard line makes it difficult to be upbeat about autonomy for Tibet, let alone independence. The Buddhist ethic counsels against violence and Tibet's moral weapons mean little to Beijing. While foreign tourists mainly young backpackers - have immeasurably strengthened the pro-Tibet lobbies back home, there is no sign that China plans to respond to pressure either internal

> takenly designated the municipal brothel in Palmyra as a

> munitions store: "the vicious attempts of our pilots to bomb it were attributed by the

> French to jealousy or puritani-

By contrast, the first half of

Morning Glory, written much

later, reads at times like an

odd blend of Dornford Yates and Frank Harris. The over-

blown lyricism of the descriptions of the countryside or of

the author's houses is Yate-

sian; Harrisian, on the other hand, is the author's egregious

self-satisfaction, his praise of

MORNING GLORY:

MEMOIRS FROM THE

EDGE OF HISTORY

Somerset de Chair

Cassell £20, 397 pages

his own writings, and his frank

account of his sexual progress.

not to the New York hooker he

had engaged for the purpose, but the following day, to a mid-

dle-aged Norwegian botel

maid. As an undergraduate he

would drive up to London two

or three times a week in his

1921 Rolls-Royce Silver Ghost

(bought for £50), to hunt for

tarts. Thelma took a dim view

with Vivienne Wooley-Hart

live pink elephant), consum-

mated on the floor of her flat

in Prince's Gate, he dressed as

Lord Nelson, she in a leopard

skin. Carmen, the second wife.

was more accommodating giv-

ing him a tart for a birthday

present in Parls. But he gave

tarts up after they vanished

from the streets, remarking "I

think that the decline of the

British Empire coincided with

the removal of these healthy

distractions from the heart of

He lost his virginity at 18,

cal instincts."

of unity and nationalism.

Precocious

intelligence

The myth behind those merrie men

A.C. Grayling on the legend of the quintessential outlaw, Robin Hood

of the English-speaking world. By a kind of Pavlovian reflex the name prompts images of Errol Flynn or - a good deal less convinclooked uncomfortable and faintly surprised in his tights television's Richard Greene. Just how long, and in how many ways, this bow-twanging mercie man of the greenwood has been haunting our collective imaginations is astonishing. The whole story, myth and fact alike, is thoroughly explored by Stephen Knight in

ROBIN HOOD by Stephen Knight Blackwell £45, 308 pages

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One of the great questions about Robin Hood is: was there actually such a man? According to the "empiricists" there was, and according to the "mythicists" there was not in the marvellously absorbing of Stevens way of these things - historical detective work beats the fictional variety by a million miles - the answer turns out to be that there were many Robin Hoods, most of whom were named so after the really real Robin Hood - viz. the mythical one - to mark their outlaw status. Or so Stephen Knight suggests, for, after a judicious examination of the arguments, he comes down on the side of the "mythicists" Robin Hood is an emblem of liberty, anti-authoritarianism. and natural justice. He robs the rich to pay the poor, he outwits the sheriff and his men: and lives the rural idyll

with his happy band of com-

panions (and, later, Maid

chronicles, ballads and the

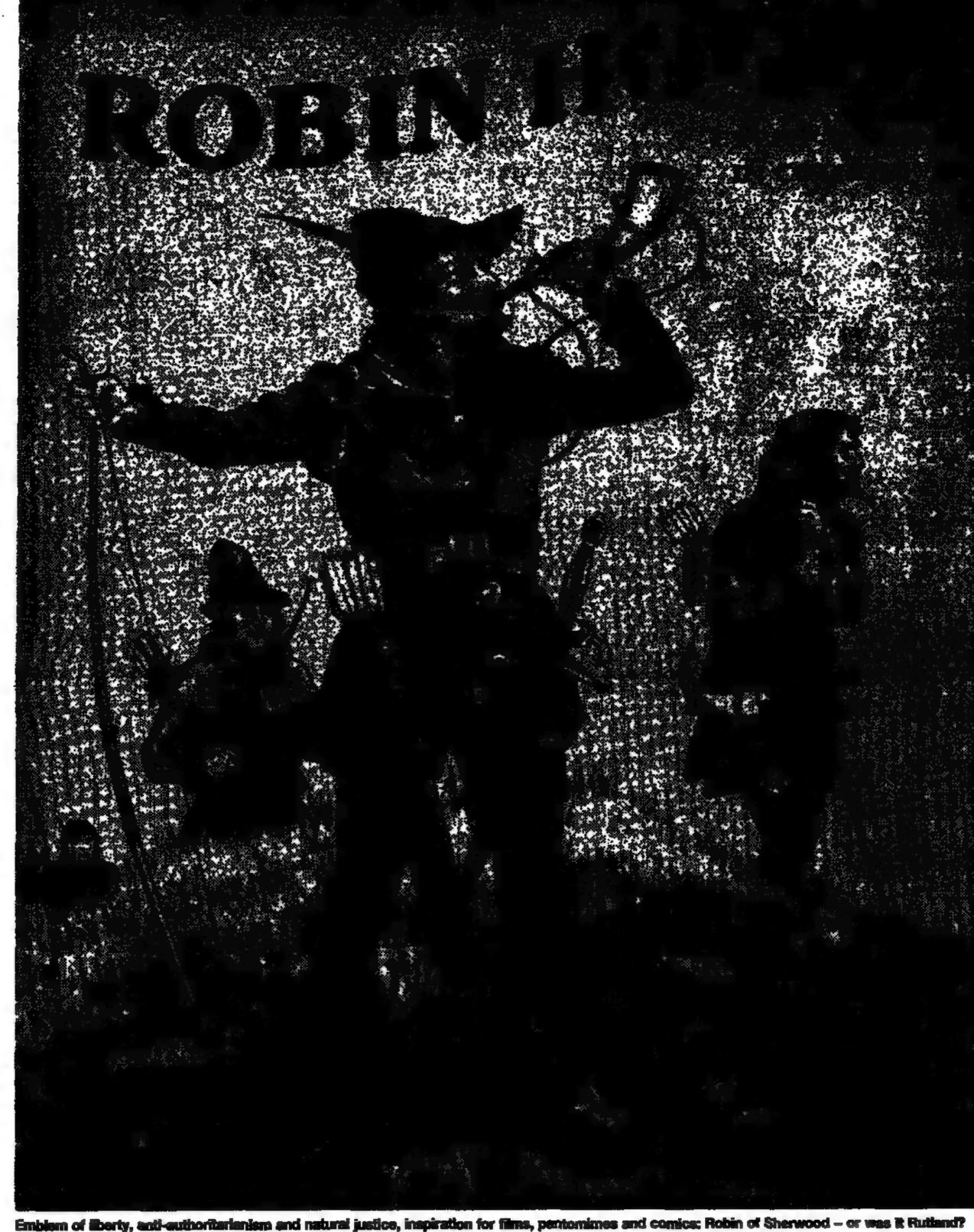
the forerunners of theatre Robin is an outlaw, sometimes even a "cut-throat".

But by the 17th century he had been gentrified: he had become the Earl of Huntington, dispossessed of his property by a usurping king, and in revolt not against genuine authority in the form of the absent Good King Richard, but against the treasonous tyrant Bad King John. Thus was his outlawry made legitimate, and the outlaw himself transformed into a suitably aristocratic hero.

It is this good outlaw of noble birth who, along with his accretions of little John, Frian Tuck and Maid Marion, gives us the romantic and Hollywood Robin we all know. Robin Hood is now associ-

ated with Sherwood Forest or with Barnsdale (Knight shows that this must be the Rutland. not the Yorkshire, Barnsdale). but in the 14th century, when the legend was beginning to flourish - it reached its apogee in the 16th century - any number of localities from the West Country to Scotland laid claim to him. There are assorted Robin Hood Fields, Robin Hood Crosses and Robin Hood Caves, and the hallad and chronicle sources have him popping up in all sorts of localities. This multiplicity of place is echoed in the multiple nature of the legend in its sources: which is why Knight concludes that the Robin Hood story is mythic. Perhaps it became popular because it struck a chord among people who for three centuries had been living under foreign lords - the Normans - and were only just

In the year 1213 or sometime soon after, one Robin Hood. servant to the Abbot of Cirencester, slew a man called Ralph. Fifteen years later a



fugitive called Robert Hood was being sought in Yorkshire. In 1262 another fugitive called William Hobehod is recorded. At the beginning of the 14th century the surname "Robynhod" appears in Sussex. In 1354 a man called Robin Hood was held for trial in a prison in beginning to regain an iden-Rockingham Forest, And so on: intriguing intimations - the "empiricists" say, glimpses of something at the root of legend. Knight provides a chro-

nology of references to Robin

Hood between the 13th and 17th centuries, and they show how the legend grew, suggesting that the name Robin Hood came to stand as a pseudonym for any outlaw, whether his

real name was known or not. In some of the earliest chronicles reference is made to the popularity of Robin Hood among ordinary people. He became a favourite figure in performances at fairs and festivals, often associated with Whitsun. The gentrification of

Robin from the 17th century onwards can be seen as a characteristic English response to anything potentially threatening, as a symbol of resistance to authority must always be: it neuters him by domesticating him, transforming him into a safe figure who is not against the establishment, but a true defender of it: and thus a worthy hero after all.

Knight is as fascinating on recent Robin as he is on medieval Robin, Films, cartoons,

musicals and books have kept the outlaw firmly in popular consciousness - as witness the fact that five Rohin Hood films were made before 1914. All these representations. Knight shows, were reinventions; yet at the same time the majority of them preserved the kernel of the myth as it had settled after 1600 - the gentrified Robin, the Robin of merrie men and true justice. Perhaps, in an otherwise unbelieving age, such myths have their place.

illogicalities of military life. He London's West End." was particularly amused by T.J. Binyon the fact that the RAF had mis-Murder and more

Anthony Curtis concludes a two-part look at anthologies ernard Shaw, you will recall, divided his dramas into plays pleasant and plays unpleasant. The same division

applies nowadays to anthologies. The unpleasant kind was put firmly on the map with The Oxford Book of Death, Now we have The Faber Book of Murder edited by Simon Rae (£17.50, 575 pages). It proceeds alphabetically: Axe (Lizzle Borden). Cement (Doctorow's Billy Bathgate), Dismemberment (Ian McEwan's The Innocent), Double (R L Stevenson's Jekyll and Hyde), Garotte (Patricia Highsmith's Ripley's Game), Hanging (Kipling's Danny Deever), Quits (Shakespeare's Titus Andronicus) and Zarathustra (Nietzsche). And there are many more just as ugly.

"Whether we like it or not" says Rae, "murder is a regrettable scarlet thread running through the human tanestry". He decided early on to spare us "all contemporary murders of a private nature" but this does not exclude mass murder and genocide. The book is ballasted with an extract from Freud's Totem and Taboo and from the deliberations of De Quincey and other thinkers who have pontificated about murder. It is, I must admit, a compilation

of undeniable fascination. Stephen Brook has made an equally thorough trawl through the literature of personal betrayal, sometimes in extreme cases leading to murder, in The Penguin Book of Infidelities (Viking £ 17.00, 376 pages). A painful topic makes for some entertaining reading.

On the pleasanter side of the scales. The Faber Book of The Theatre edited by Ronald Harwood has now appeared in paperback (£8.99, 267 pages). The well-known playwright, formerly an actor and a stagemanager, includes some amusing extracts under the headings of Before the First Performance. Performance and Players. After the Performance. Meanwhile the ever-industrious Sheridan Morley has compiled The Methuen Book of Movie Stories (£ 15.99, 270 pages) which contains fictional accounts of film-making in Hol-

lywood and elsewhere.

ket. They burgeon all the year round. One about to appear in the spring likely to appeal to FT readers is The Oxford Book of Money edited by Kevin Jackson. Naturally he quotes Oscar Wilde in the person of Lord Darlington defining a cynic as "A man who knows the price of everything and the value of nothing". But he also includes the often-forgotten pay-off: "And a sentimentalist, my dear Darlington, is a man who sees an absurd value in everything and doesn't know the market price of any single thing".

Anthologies are not merely

aimed at the Christmas mar-

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NEW AUTHORS

Political grief and poetic fire

Arkady Ostrovsky on two women whose memories survived the Gulag "regret Larina's loyalty to the of a famous Russian children's

arrests, tortures, and death, Anna Larina's memoirs and Lydia Chukovskaya's journals are accounts of two who survived. At the centre of Anna Larina's memoirs is the politician Nikolai Bukharin, a leader of the Bolshevik party. The focus of Chukovskaya's journals is one of the most brilliant Rossian poets of the 20th century - Anna Akhmatova. But these books are also the

sages of two women, Anna Larina and Lydia Chukovskaya, who lived in the presence of great people and who devoted their memories to them. Born in 1914 and adopted by

Yuri Larin, an old Bolshevik and Lenin's close ally. Anna Larina grew up in the huxurious rooms of the Metropol Hotel, the residence of the party elite. It was here that, at show trial.

first love-letter to Nikolai Bukharin, then 41 and "favourite of the entire party". Too embarrassed to deliver it herself, she gave it to a stranger. This "stranger" was Stalin Nine years later Anna Larina married Nikolai Bukharin. Three years after that, in 1937, Bukharin was arrested, tortured and destroyed both mentally and physically. His 23-year-old wife was also arrested and sent to the Gulag, where she spent

almost 20 years. The first few chapters of Larina's book show us camps. humiliating interrogations and KGB cells. But her account reveals that Stalin had decided to destroy Bukharin, one of his strongest opponents, back in 1928. Only in 1937 had Stalin gained enough power to implement his plan. By this stage, simply to kill Bukharin was not enough: Stalin needed a

THIS I CANNOT FORGET by Anna Larina

Hutchinson £25, 384 pages THE AKHMATOVA **JOURNALS 1938-1941**

ed. by Lydia Chukovskaya Collins £20, 320 pages

The most powerful part of Larina's book describes the last months of Bukharin's life in the Kremlin before his arrest. The slow and sadistic demolition of the human will. the detailed description of the "theatricality" of Stalin's methods of moral destruction, are more disturbing than any of the Gulag scenes.

The book reads as though Larina is still defending Bukharin in the interrogator's office. The western reader may

Balshevik's Revolution of her childhood", writes Stephen Cohen in his introduction. Yet the book is strikingly honest; it was written by one of the generation of devoted idealists. and it takes us into the very depth of a revolutionist's mentality.

In 1986 Bukharin was rehabilitated and Anna Larina was able to deliver his letter. "To A Future Generation of Party Leaders". Yet his vindication did not last long. As one of the initiators of the New Economic Policy in the 1930s. Bukharin is now blamed as a communist and one of the discredited founders of the Socialist system in Russia.

While the court drama unfolded in the corridors of the Kremlin in a small flat in Leningrad Akhmatova was composing some of her most powerful poems. Akhmatova and Lydia Chukovskaya, daughter

poet, were brought together by the arrests of the poet's son and Chukovskaya's husband. Since she was aware that her diary could be confiscated at any time, most of the entries are concerned with conversations on literary matters and the arrests are not mentioned. Russians of this generation had to have good memories

because everything that it was unwise to write down had to be mentally recorded. Anna Larina had memorised Bukharin's last political testament. Chukovskava, who had a photographic memory, recorded by heart many of Akhmatova's poems. Akhmatova would write parts of her Requiem down on scraps of paper, and give them to Chukovskava to memorise. Afterwards they would be burnt. Many of these

the book Akhmatova had been edu- words - fire and grief.

poems are printed at the end of

cated in the same prestigious lyceum as Pushkin, had married a man who was both an officer of the White army and a brilliant poet, and was a member of the most elite literary circles in Russia. Then, during the 1930s, she was locked into a small room in a communal flat in Leningrad, and denied all opportunities to write and publish. "Her face is grey, drawn. her feet are swollen. She does not leave the house" recorded Chukovskaya in 1939; a sorry comparison with the portrait painted of Akhmatova by

Chukovskaya's accounts do not contain horror stories about camps and prisons, but record the doomed, paranoid atmosphere of Akhmatova's life in Leningrad. Perhaps the poet's real name, "Gorenko", contained a prophesy about her tragic life: in Russian, the name contains the roots of two

Modigliani in Paris in 1910.

Our critics present their seasonal greetings to leading figures in the arts world

all, I shall give Canova's "The Three Graces" to Jer-Opera House. It will look splendid at the top of the grand staircase that is planned for his new building and should impress the chairman of the Arts Council when he drops into the general director's office in the mean-

How appropriate, too, that the figures seem to have acquired new identitles: Patience, Thrift and Ingenuity. Patience, because the signs are that public opinion is against the Royal Opera House getting lottery money to fund its ambitious £100m redevelopment plan. Thrift, in order to reduce Ingenuity, to continue putting on a world-class programme in the face of competition from massively-subsidised opera-houses overseas.

If Mr Isaacs does not like my gift, he could always try selling it on the black market. The £7m plus that it would raise could solve his problems for years to come. Alternatively, he could swop the three buxom ladies for The Three Tenors in concert. But then again - considering their fee for that Los Angeles gig - perhaps

Richard Fairman

or Peter Sellars, a desert island, on which he could stage The Oresteia, with Bill T. Jones as Clytemnestra, Steven Berkoff as Electra and Agamemnon, with William Forsythe on hand to choreograph the tap dances and Andrew Lloyd Webber providing revised versions (tango, rock, waltz, etc.) of choral odes at each performance, for an audience of surround-

ing sharks. For John Barton at the RSC, a new production of Shakespeare's Richard II-Henry IV-Henry V tetralogy at the Swan, with Mark Rylance as both Richard II and Henry V. and Michael Gambon as Falstaff

For Galina Gorchakova (a) a tuning fork (b) a house in London (c) a season at Covent Garden singing in La Forza del destino, The Queen of Spades, and Don Carlo, among others. For Judi Dench, a revival of the

s it was not exported to Peter Hall Antony and Cleopatra (the production also to be recorded on TV and a new production of Beckett's Happy Days at the Cottesloe.

For Harold Pinter and Tom Stoppard, two or more new plays each. For Darcey Bussell, an injury-free season with intense coaching by Suzanne Farrell in the Balanchine repertory, plus a revival of Ashton's three-

For Nicholas Hytner, new productions of Cosi fan tutte, Il Trovatore, Lope de Vega's The Great Pretenders, and a new play by Alan Bennett, with whichever British companies he

For Harriet Walter, an RSC season as Millamant, Hedda Gabler, Beatrice,

For Mark Morris, an Edinburgh Fe tival production of any Rameau opera, a new staging of Handel's Terpsicore and a new work to commissioned music by Michelle Shocked and Rob Wasserman.

For Stephen Daidry and Anthony Dowell, a fire in the scenery depart-

For Anderson Country (Radio 4), a fire in the sound department. For Bryn Terfel, every pre-20th-century Italian and French and Russian role and every 20th-century British role he is ready for and has time to

Alastair Macaulay

anta, that great deceiver, will probably let me down (again) but, if he received that note posted to him at the North Pole, he will make the following deliv-

To Jeremy Isaacs and the Royal Opera House, a large bundle of National Lottery cash (which I trust will not prove to be Fool's Gold) so that prices can be reduced. Those onetime "regular" audiences at Covent Garden have been priced out of their seats. Gone are the days when people could afford to go to opera and ballet three or more times a week. A opera house is vastly the poorer without the enthusiasms of these devotees, who give the theatre a vital part of its atmosphere and spirit.

To Anthony Dowell and Derek Deane, as directors of two big classical companies: a brace (each) of real



thousand-watt, rampagious ballerinas. Difficult, maybe, but certainly divine. these stars make sense of the old repertory that the Royal and English National Ballets offer us. At the moment we see nice, dutiful young ladies busy being Princesses, Swan Queens and betrayed peasants. The heroine, alas, is not at home. It needs temperament and a grand style to justify such ballets. And, as a bonus, the

box-office is swamped. To Sadler's Wells Theatre: policies which will brings a brighter and more vital air to the theatre. How welcome would be an end to visits from awful and awfully optimistic dance trounes. Let there be coffee rather than dish-water in the pit cafe; a general sprucing of the theatre's facilities; an end to mindless pop music in the De Valois room; a foyer less

like the rush-hour on the Northern Line (move the bar!). And to London - a city where

dance was once vital - the muchneeded Dance House, to be a home for English National Ballet and Rambert Dance, an added stage for the Royal Ballet, and a serious port of call for large visiting troupes.

Radio/Martin Hoyle A frosty outlook

week referred to "the extraordinary resilience of bad ideas ... They come round year by year". Thus did the excellent Radio 4 series Scapegoats leave us with the gloomy prognosis that, when it comes to the Pharisea thanking God he was not as other men, human nature is condemned to "relive the same old mistakes".

Tchaikovsky understood. Radio 3's Pride or Prejudice? trotted out the now familiar theory that the composer was forced to commit suicide by a colleagues, worried that his homosexuality might shame the old school. The proponent of this theory compared it with a Russian version of Eton. An opponent said nothing of the sort, the school produced several reprobates and disreputables, some of whom were homosexual. As an argument against the Eton comparison this seemed a trifle sanguine.

The forced suicide idea strikes me as far-fetched but the incidentals were fascinating: the Russian press came out in favour of Oscar Wilde during his disgrace, the male companion of Tsar Alexander III's brother was referred to as his "mistress" by the blase Parisian press. The programme's presenter, Stephen Johnson, wondered whether the phenomenon even aroused disapproval - rather naively; whatever the attitudes among the enlightened or the privileged, or even the lawmakers at any particular time, homosexuality has never been accepted by Christendom. Which was why Mum, Poe

Got Something to Tell You (Radio 4) was so engrossing. Three young men, with contributions from their families. recalled coming out as gay to their parents. The mother of a Jewish violinist from a supportive East End family remembered: "We all cried Clement Crisp together and cuddled

together." A Mancunian student told his dad when he came back from snooker. He said, well, there it is, and took the dog for a walk." Mother "I'm sure the dog's legs were much shorter afterwards."

Their worlds did not fall in Only with the Roman Catholic from Belfast was there a hini of bitterness. Goaded into telling his parents, ironically, by anger at the unsympathetic priest, he betrayed a certain bitterness at his family's attitude. "They don't ask me how my partner is. It hurts a little bit. Sometimes I think, why did I tell them?" This programme was funny, touching and oddly reassuring. Taking the dog for a walk is a civilised response to familial upheavals.

Radio has a gentle, unhectoring way of insidiously introducing slightly dotty strangers into your home. In Radio 4's Personal Obsessions I suddenly became aware of a collector of old gramophones verging on the quietly fanatic as he spoke of the survival of chocolate records, played with a glass stylus. "The sound quality's not brilliant," he said wistfully. Unless I imagined it all. On Sunday Radio 3 went

magnificently to town, many towns, several countries, for a 15-hour musical jaunt around Europe. The odd technical hitch (notably in the charmingly secular-sounding Anfossi, into whose operas Mozart interpolated ariss, cut off from Italy) is pardonable; less so sloppy editing of a reading by Robert Hardy. But there were fine things here, from Finland to Israel. I suppose it was salutary to hear the modern Russian composer Schnittke's variations on "Silent night" on Radio 3's On Air. Sour, jagged dissonant, as spiky as barbed wire, they reminded us that the frost is no less sharp, the wind no less bitter on those turned away from the inn, and their numbers grow no less; just as bad ideas come round year after year and mankind relives the same old mistakes.

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Television/Christopher Dunkley

Silver screen memories

axe to attack one of those mile-a-minute Russian vines at the corner of his house. His wife, at an upper window, is looking the other way to where a few leaves are appearing round the corner, and shouting, "Look out, here it comes again!" It reminds you of Christmas television: no sooner have you repulsed one onslaught than the next is upon you.

The worst thing about the programmes - apart from the movies - at this time of the year, however, is the falseness. No matter how bounteous the bonbomie, it is hard to forget that it was all contrived in a hot studio in September.

So let us look ahead to 1995. BBC2 will mark the hundredth anniversary of the Lumière brothers first showing films to a paying audience in "Cinema Century" which will run right through the year. This will include The BBC 100, a collection of films which are being insistently described as "NOT the hundred greatest films ever made, but 100 of the more significant works from the 3,500

held by the BBC. Those likely to be screened

New Yorker cartoon in the first quarter of the year electronically from a threaten- with a northern, working-class shows a man using an include Top Hat, King Kong, ing outside world of pollution background. 42nd Street, The 39 Steps, One of the most heavily pro-

Bringing Up Baby and The Maltese Falcon. They kick off with Citizen Kone on January 2, then, on January 7, Terry Gilliam begins presenting The Last Machine, which investigates film before 1913. At the end of January Channel 4 starts Visions Of Heaven And Hell, a series looking at our "headlong rush into the arms of technology". In the

first programme, people such as Bill Gates of Microsoft and Peter Cochrane, the head of research at BT, talk about the advantages that technology can bring.

The second considers such social phenomena as the changes in work practices brought about by modems not to mention "cyber hippies" and "cyber anarchy".

The final programme ponders the question of whether social divisions may increase rather than diminish thanks to the new technologies. It is all very well for the information rich to regard their home work stations as a boon, but to the information poor the new habits may look like a way for the privileged to cut themselves off

moted series will be The Private Life Of Plants, starting on BBC1 on January 11. This is the latest part in what will, surely, be seen eventually as one of the key achievements in the first 50 years of television: David Attenborough's remarkably successful attempt to explain the natural world. Beginning in 1979 with the

monumental series Life On Earth, he has progressed via The Living Planet and The Trials Of Life to the more recent and technically more astounding than ever - Life in The Freezer. We are promised that during this forthcoming sixpart series on plants the intrepid Attenborough jumps across savannah fires in Kenya and dangles 200ft up in a rainforest canopy in Borneo. The trouble is, of course, that every director he works with is trying to outdo that blasted

gorilla sequence. On January 3, John Thaw moves yet another rung up the ladder of the legal fraternity when he makes his first appearance in Kavanagh QC on FTV as a barrister, though

Ted Childs, who was responsible for the Morse series, is again executive producer, and the casts are glossy and expensive. In the opening two-hour episode, Kavanagh's wife is played by Lisa Harrow and the housewife who accuses a student of rape by Alison Steadman. Geraldine James is the prosecuting counsel. Subsequent episodes will last 90 minutes; what a shame they could

not bring them down to 60. Ever alive to the potential of an anniversary, the BBC will be marking the tercentenary of Purcell's death with a sequence of programmes on BBC3 and Radio 3 throughout 1995. They begin on New Year's Day with a documentary, Henry Purcell, The English Orpheus, providing a picture of his life in the London of Charles II, and continue on the same day with a live concert relay from the Banqueting House, Whitehall.

The finale is "Welcome, Welcome Glorious Morn" which Purcell wrote in 1691 for Queen Mary's birthday. Fitting that someone so involved in the anniversary business should have his own calebrated.



FT Christmas Arts quiz

1. To general approval, 1994 saw the back of a baroness on the move and three bottoms remaining stationary. Who was the baroness and whose were the bottoms? 2. Who redealt the cards to

play the king on television? 3. What did W.H. Smith find suitable in March? 4. What did Bruce Land Rambert with in May? 5. What became live in March. having been moribund before?

6. Which debutant promenaded for the first time at the age of 85? 7. And which Deb's efforts

were booed at Glyndebourne? 8. If all's the world a stage. what part of it did the Globe hecome?

9. Which artist's ovine conservation was not quite what organic farmers had in mind? 16. Which turkey in

Shaftesbury Avenue failed to live up to its name? 11. But whose pound of flesh turned out to be prime turkey? 12. Which dead poet became 2 best seller after someone else's funeral?

13. Which dead planist became a star times 32?

14. Which ark developed a list but carried off the prizes? 15. Who took literary pursuits as far as doorstepping? 16. Which famous screamer

was outed in Norway (but

went in again)? 17. Which Partridge changed its perch?

18. Writing to the press caught on. What prompted (a) the art establishment to write to the London Evening Standard? and (b) 87 writers to contact The Guardian?

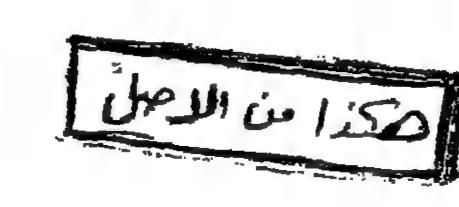
19. Who left one Nirvana in the hope of finding another? 20. Who left the boulevard

under a cloud without enjoying the sunset? 21. Which knight's knight wouldn't be shouted down in

Bow Street? 22. Which septuagenarian upstaged someone else's birthday party on the South Bank?

23. Which little film camera boldly went where (one hopes) no camera had been before? 24. How did Alan's meeting with Alain damage their

Answers on page VII



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Time for a voyage of rediscovery

The permanent collections of the major galleries are full of forgotten treasures. William Packer catalogues their delights

e are often inclined stantly available treats of permanent art collections for granted, leaving them to the tourist or the provincial. We promise ourselves there will always be Easter or Christmas at which to take them in. Not that we can accuse gallery directors of accepting our indifferance. Nicholas Serota's policy at the Tate of a complete rehang every year has refocused attention on the permanent collections. The 1995 displays are due to be unveiled at the end of next month, but, by the nature of the exercise, much is aiready in place, so this a good

moment for an early scout around. At the National Gallery, Nell Mac-Gregor's thorough reordering of the collections, which the opening of the Sainsbury Wing made necessary, is just about complete. As to his success; that is a matter to which I hope

soon to return. Even so, the temporary study exhibition drawn from the collections is a special case. These are dressed up with full and scholarly catalogues. or augmented by spectacular loans. The point is usually well made that here indeed is something special.

At the Tate, on the other hand, even though the shows are no less remarkable, the feeling is too often if something modest and incidental incked away in the farthest basement, over-shadowed by more important special exhibitions and permapent displays upstairs.

Such self-effacement is, in part, the creature of the sheer richness of the material available combined with the constraints imposed by limted funds. We should, I suppose, be grateful for what we get.

The show that currently fills the late's lower galleries, of British watercolours, prints and drawings rom the mid-18th to the mid-19th sentury, is remarkable for its quality and scope. Three rooms present, in

o it's farewell Lisbon.

1994, hello Luxem-

turn, three aspects of work in those media in which we British have long notoriously prided ourselves. Furthermore, they are from the period in which the British facility for such work supposedly achieved its fullest

The room of landscape studies is an exhibition in itself, taking us from Gainsborough to Ruskin through a variety of familiar names yet in unfamiliar if characteristic All those we would are there - Wilson. Cozens, Sandby, Cotman, Girtin, Constable, Cox, Bonington, de

The 1995 displays are due to be unveiled at the end of next month, but, by the nature of the exercise, much is already in place

while Turner fills the corridor

The works are by turns beautiful and surprising, funny and dramatic. from Rowlandson's ripe wenches spying in a wood to Ruskin's freelystated distant view of Bologna through the trees. To pick out favourite things would be to catalogue the lot - Callow's cliff-like palazzi along the Grand Canal, Cox's no less cliff-like tenements along the Seine. Turner's House of Commons on fire, Muller's stair cut into the rock. Variey's nod to Poussin in his "Suburbs of an Ancient City", and on and on. But how fresh these things are, and how direct. We sit at the artist's shoulder as he works, as if it were but yesterday.

tangible benefit is the way the

The room of prints takes us from engravings after Stubbs. Constable and Turner to the etchings of Whistler and Keene, but is chiefly remarkable for the series of abstracted rocks and mountainscapes of Alexander Cozens. He derived these from blots, his "new method of assisting the invention in drawing original compositions of landscape'

The third room holds figure and composition studies, often very full in their realisation, from Wilkie and Lawrence to Burns-Jones and Millais, with Max Beerbohm's later sat thrown in for good measure.

Wilkie's drawing for "The First Rar-ring" is especially charming, and indeed the drawings from life throughout are very fine, from Lawrence's old lady and John Jackson's portrait study of Wilkie, to the seated girls of Rossetti. Wallis and Burne-Jones, and Arthur Hughes's brief first note of his model for "April Love".

But in truth the room is dominated by the romantic medievalism of the pre-Raphaelite imagination with Rossetti the central figure and Burne-Jones hardly less prominent It is all highly enjoyable, dark, intense and romantic with its knights in armour and swooning ladies, sweet-briar and honeysuckle Mariana at the Moated Grange and Fair Rosamund moving auxiously away from Queen Rleanor. It is even gently comical - Ford Madox Brown's 'King Rene on his honeymoon" sits glumly in the garden as his wife kisses him sweetly on the

Two lovely landscapes by Boyce and Seddon, and an oddly modern drawing of a scrubby field by Wallis, should really be in the first room.

From Gainsborough to the Pre-Raphaelites: works on paper - the Tate Gallery, Millbenk SWI, until Febru-



The Blue Closet' by Dante Gabriel Rossetti, currently in the British watercolour exhibition at the Tate Gallery

An old flame from Portugal

Antony Thorncroft salutes Lisbon, bowing out as this year's European City of Culture

bourg, 1995. The European City of Culture noves with the calendar and he artistic flame has been passed on from Portugal's capital to the Grand Duchy. Cities of Culture, an EC

institution, attract little critiinterest. It would take a cultural junkie to remember which city glowed with creativity in 1989 (Paris) or 1992 (Mad-Antwerp (1993) managed to change their popular image by having a heavy attack of the

> In Lisbon, the ending of the cultural year affected citizens in two ways: a small group scattered around the Teatro San Carlos for the worthy congratulatory speeches - while thousands milled on the banks of the Tagus listening to Portueal's top rock band, watching fireworks, and patronising the

bars that were kept open all conjured up. The funds did not permit any solashy new struc-In the immediate future tures, but the main concert there will always be a small hall, the Colisen, now gleams with the intimacy of a musical audience for the high arts in Venues which bull ring and two of Lisbon's hummed with performances main museums, of modern art for most of 1994 will return to in the Chaido and of Old Masters along by the river, are opera and dance seasons, but marvellous examples of how old buildings can be decked the audience will grow now inside with modern trimings there is an infrastructure in place to support it. The main without destroying the historic

exterior structure.

As Portugal, seaward-gazing authorities were forced to and introspective, gradually invest in new, or revamped. absorbs European culture, the theatres, concert halls and refurbished buildings will tempt a larger audience. Not There were the usual sulks surprisingly, with all the spebetween a right-wing governcial exhibitions, there were 50 ment and a left-wing city council about footing the bill, but in per cent more gallery visitors the end more than £30m was during 1994. In all, about 1.5m

tickets were sold for more than 1,000 events, even though the organisers had to reduce seat prices by 20 per cent to attract decent audiences.

There were the usual grouses: that too much money was spent bringing foreign creative artists to Lisbon and not enough on encouraging local talent; that the events charmed the sophisticated minority while the man on the tram was untouched. But visits from orchestras such as the LSO and the Philharmonia, the Concertgebouw and the Czech Philharmonic; from dance companies such as Pina Bausch and Merce Cunningham; plus the opportunity to see for the first time opera productions of Peter

Grimes, The Makropoulus Case,

and Julio Cesare must have opened the ears and eyes of many first generation EC Portuguese.

There were setbacks, such as the cancellation of an exhibition by Portugal's leading artist, the London based Paula Rego, and a poorly received

Perhaps the biggest row was over the poor reception given to Wim Wenders' movie Lisbon Story. The city wanted the best European director to capture in fiction this significant moment in the history of Lisbon. Wenders was tempted with a budget reported to be in excess of £1m, but produced an over-long work which was as unimaginative as it was self-re-

garding Shooting tourist Lis-

opments such as the rediscovery of Lisbon's early 19th-century architectural grandeur in the "Seventh Hill" sector. Lisbon worked as a city of

culture because it gave a new

angle on a little-known but fascinating capital Lishon is at its best when being itself. untouched by other-Europe: in the Museu dos Azulejos. attached to a spectacular convent with a church in which secular 18th-century scenes of Lisbon in blue and white tiles compete with gilt baroque for wall space; and in the special exhibition of fado at the Museu de Etnologia.

This describes how the spontaneous music of the street. the disregarded, despairing

els and the beggars, became gentrified as a tourist attraction in the 20th century. Its climax comes in a darkened room where the greatest fado singer of all. Amália Rodrigues, sings of abandonment. bon, he missed exciting devel-

19th-century voice of the broth-

It is a cultural experience of unrelenting power and passion. and quite a contrast to the formality which attaches itself to these cultural years. The statistical guru John Myerscough has evaluated the impact of cultural capitals. It is mixed in Dublin only 5 per cent of those asked could remember an event they had attended; in Glasgow, 61 per cent of citizens voted it a success. Lisbon is happy that 48 per cent of the locals came down in favour: 32 per cent against.

Capitals of culture are a good idea, but the idea alone is not enough. They need planning a rationale, and money, too. They work best in over-looked cities like Lisbon.

Vintage Rivals

the audience as they take their seats gives tion of The Rivals. Showing s scene from Bath in the 18th century, it is charmingly pretty, and looks quite anthentic, but is somehow insipid. Richard Cottrell's Staging

(first shown in Chichester earlier this year) gives us a flayour of how the original might have looked, with its clearly artificial flat painted backdrops. The acting style too is vintage - ornately mannered and involving plenty asides, sly glances and shrugs. But while the production emphasises Sheridan's highly developed sense of the theatrical, this does not translate into a wickedly funny critique of the contrived behaviour of fashionable society. Sheridan's comedy has warmth, but it also has bite, and he is merciless in his lampooning of pretentiousness, nowhere more so than in his most memorable creation, Mrs Malaprop.

To be sure, Patricia Routiedge, as Mrs Malaprop, is splendid. Decked out like a lingerie department at Christmas, resplendent with ribbons and bows, satin and lace, she arrives in full sail to hold the stage. Her performance matches her appearance, with extra trimmines all over. She plunges into her character's hopeless mauling of the English language with enjoyable relish, while an occasional haughty snort reminds of us Hyacinth Bucket (the stuck-up old harridan she plays in Keeping Up Appearances on television).

Richard Johnson is amusing as the crusty Sir Anthony Absolute, growling, harrumphing and waving his stick, and James Simmons has dash and charm as his wayward son Jack, whose secret disguise as Ensign Beverley is the lynchpin of the plot. Scenes that involve any combination of these three characters do take off: the reconciliation between father and son is delightfully

fumy-But elsewhere, the production feels half-hearted. It takes a long while to crank up, and though Debra Beaumont is exquisitely pretty as Lydia Languish, she is so straight there is no fun to be had out of her at all. Sheridan spared noone in his ridicule of fashionable society and if this does not emerge the whole Acres sub-plot, detailing the absurd length this yokel will go to to be thought au fait with proper social etiquette, seems rather meaningless. Billy Doyle is good as a bluff, scornful Sir Lucius O'Trigger and Adam Godley works hard as the maddening, simpering Faulkland. But it is all rather like a bite from an old snake who forgot to put his fangs in.

S.H.

At the Albery, WC2.

usan Perrett and Heather Tobias

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Revolution to redemption

Sarah Hemming admires a stage adaptation of 'A Tale of Two Cities'

most of us for its opening and closing lines, Dickens' A Tale of Two Cities is a tricky novel to adapt, with its intricate storyline, constant shuttling between Paris and London and countless opportunities for sentimentality. It says much for Matthew Francis's fine, intelligent adaptation at Greenwich Theatre that it manages to embrace the scale, feel and thrust of the novel, and convey the sense of perpetnal motion and of lives caught up in great events, while getting across (mostly) the complexities of the plot and bringing out the novel's fascinating themes of revolution, resurrection and redemption. There are no tricks, no frills

and no musical numbers: this is a straightforward telling. and the better for it. Occasionally it plods, but mostly it is wholly absorbing. Julian McGowan's versatile set of

dark wooden staircases, doors and platforms lowers over the auditorium and is both atmospheric and practical. We move from the Old Bailey to a Paris tenement to the walk to the guillotine with just a switch of lighting, no fuss and no elaborate changing of scenes - which is invaluable in keeping the momentum going. Beneath the staircase, centre stage, a pair of double doors and casually placed wheels suggest the shape of a coach: a visual emblem of the constant journeying to and fro that is at the heart of the book.

The set also offers several platforms, an ingenious device which keeps the audience's eye moving round the stage and helps to overcome the fact that the novel is a different shape and has a very different impotus to a stage play. Francis's production, too, works hard to compensate for this, dramatising some scenes, reading some aloud, constantly moving and

changing focus, to give the flayour of Dickens' original, as it see-saws between light and The production is carried

along by Timothy Walker's excellent Sydney Carton, Hair hanging in his eyes, clothes never quite where they should be, he is convincingly dissolute but manages to stay the right side of self-indulgence and makes sense of the characters disillusionment and final magnanimous act. And yes, he does speak those immortal last lines - and get away with it.

Julian Mitchell as Dr Manette has a quiet, compelling gravitas (though he could do with quaking less in moments of great emotion) and Eleanor Tremain is appealing as Lucie, one of Dickens' difficult, flawless heroines. Bernard Lloyd is particularly good in the rather thankless role of Mr Jarvis Lorry, the amiable old banker who reunites the

terful portrayal of decency and humanity; while Madame Defarge (Heather Tobias), the ruthless French revolutionary. sashays round the stage with an impervious, self-righteous There are a few duff scenes -

a rather lame staging of the

French Revolution, for example - some heavy-handed sound effects, a few points where the pace drops and the production becomes solid, and the story could be clearer in places. Alexis Denisoff as Charles Darnay has little to go on, and makes very little of what he has (in the prison cell you would never believe he was a condemned man), while Susan Porrett wastes some of her comic opportunities as Miss Pross. But overall this is an atmospheric, enjoyable production; not the best of adaptations, but far, far better than

At Greenwich Theatre, SE10.

21. Sir Harrison Birtwistle's

father and daughter - a mas-

Answers to the FT Christmas Arts Quiz

1. Baroness Detta O'Cathain prematurely left her post in charge of the Barbican Centre. and Canova's Three Graces stayed in Britain. 2. Michael Dobbs, in his second series about the machiavellian Francis Uronhart. 8. Vikram Seth's A Suitable Boy won the W.H. Smith Award.

4. Christopher Bruce's hallet Land entered the Rambert repertory. 5. The relaunched Radio Five Live.

8. Bass-baritone Hans Hotter

made his Prom debut on the

opening night as the speaker in Schoenberg's Gurrelieder. 7. Deborah Warner's production of Don Giovanni. 8. The Gielgud. 9. Damien Hirst with his

artistically preserved sheep. 10. An Absolute Turkey, Peter Hall's hit production of Feydean's Le Dindon. 11. Peter Sellars' execuated production of The Merchant of Venice at the Barbican. 12. W. H. Anden, after he was anoted in Four Weddings and a

Puneral 13. The subject of the movie 32 Short Films about Glenn Gould. 14. Schindler's List, the film of

Schindler's Ask 15. Novelist Jeannette Winterson rushed round to a critic's house to confront them personally. 16. Munch's The Scream was

stolen in Oslo (later

Nirvana shot himself.

during the rehearsals of

recovered). 17. Alan Partridge (Steve Coogan), egregious host of Knowing Me Knowing You, moved from radio to TV. 18. Respectively to complain about critic Brian Sewell and to demand more new plays. 19. Kurt Cobain of the group

20. Fave Donaway was sacked

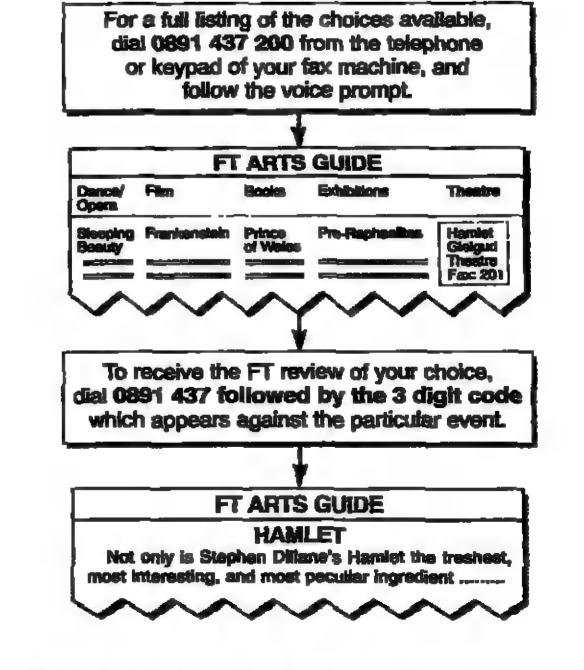
Ganain was barracked by the self-styled "Hecklers" at the Royal Opera House, Covent Garden, but supported by counter-demonstrations. 22. Dora Bryan, in Harold Pinter's The Birthday Party at the National Theatre. 23. The camera that filmed an orgasm from the inside in Desmond Morris' The Human Animal

Sunset Boulevard.

24. Alain Resnais' film Smoking, adapted from Alan Ayckbourn, failed to spark, disappointing the fans of both.

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Sensual evenings home alone on the sofa



Pale silver-grey crushed tubular dress, £540, matching cropped jacket, £498, both from Issey Miyake, 270 Brompton Rd, London SW3; multi-crystal . neckiace, £1,200, from Erikaon Beamon, 38 Elizabeth St, London SW1; Liberty, Regent St, London W1; Harrods, London SW1.

Comfort dressing can be as elegant as you like.

Lucia van der Post reports

Of course, comfort clothes can think of doing is to flop on a sofa with a glass tinkling book in the other.

But there is another sort of comfort dressing. These are clothes that are just as easy to wear, just as forgiving, but infinitely more indulgent. Forget cotton, Lycra or easy-

care mixes. These are made of brocades and velvets, cashmere, silks and satins. They are metropolitan in mood, langorous and seductive. These are the clothes to wear when champagne or a stiff Martini are on the menu and they are a million miles from the cup of cocoa and a biscuit mood. They all hark back to the

days when the salon played a large part in the social lives of the sophisticated metropolis. when being "at home" wasn't a synonym for sloppy dress but an invitation to the civilised indoor delights of good conversation, of music, of fine food and entertainment.

Such clothes have more than a touch of the hedonistic about them, echoing the heyday of the aesthetic movement, mirroring the richness of a Gustav Klimt portrait or the turn-ofthe-century love affair with Eastern exoticism. Clothes that tune into this

new mood are everywhere. Knickerbox, one of the cheaper chains, has soft and seductive pyjamas that are luxurious enough to wear in company. Higher up the range, Georgina von Etzdorf has rich lush velvets, while Caroline Charles is the place for gold-braided brocaded jackets.

What they all have in common is that, being loose and unstructured with fluid outlines, they are just as comfortable, as easy to wear, as anything made of Lycra or acrylic, but are much more glamorous.

Since the fabrics are sumptuous and the workmanship intricate they usually don' come cheap, but they can as easily be worn to the grandest gathering as an evening home



Gold, silver and grey embassed velvet robe, 2694, aliver chiffon ruffled collar shirt, 2324, both from Caroline Charles, 56-57 Beauchamp Place, London SW3; grey sifk palazzo pants, £169, by Ben de List, available from Harrods, London SW1; Harvey Nichols, Knightsbridge, London SW1; Liberty, Regent Street, London W1.



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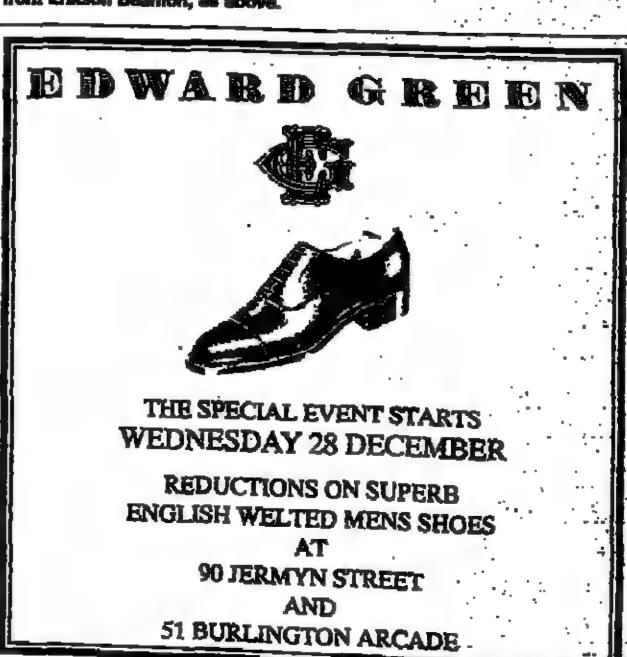
Pale pink crushed velvet dress with cowl back, £528, matching tringed scarf, £153, from Max Mars, 153 New Bond St, London W1; silver leather mules, £189, from Pled à Terre, 31 Old Bond St, London W1,

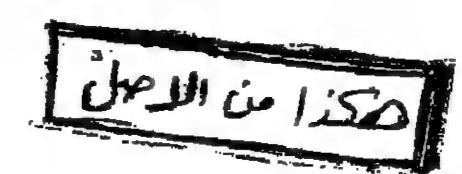
Photographer

Hair and make-up Evans sponsored by McGregor Mclaughlin Salon and Clinique



Silver and grey devoré tunic top, 2370, matching devoré shawi wom as a sarong, 9240, from Georgina von Etzdorf, 149 Sloane St. London SW1; grey silk palazzo pants by Ben de List as above; crystal choker, £320, from Erikson Beamon, as above.





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FOOD AND DRINK

Appetisers Gin for roper

mid the ballyhoo over the pro-gressive watering of Britain's leading gin brands, James Bur-rough, based in London's Kennington, emerged with its reputation enhanced. Its Beefeater brand remained at the former standard strength of 40 per cent alcohol, while many of the others ared down to 37.5 in imitation of Gordon's

Barroughs has now added to its range by creating Crown Jewel, a gin with a proper cocktail strength of 50 per cent by volume. It has the juniperry character which is the hallmark of all gins, allied to those citrus peel aromas which are part of a "London dry" recipe.

There has been a suggestion that the distillers might have used grapefruit rather than the more standard orange or lemon peel. This could be true, but there is also an intense orangey note to the spirit of almost Countreau-like intensity. This is a pretty, superbly made gin, ideal for lovers of proper dry martinis.

For the time being it is available from duty free shops only. Prices vary between \$10 and £11 for a litre bottle. Giles MacDonoah

Good chocolates always make good last-minute gifts and, in spite of the inroads made by Belgian chocolatiers in the UK, there have always been English manufacturers at the top end of the mar-

For quality and presentation it is hard to beat Charbonnel et Walker, One The-Royal Arcade, 28 Old Bond Street, W1X 4BY (tel: 071-491 0939) which still keeps lists of customers' preferred centres.

Selfridges, in Oxford Street, London, W1A 1AB (071-629 1234) offers a wide choice including its own selection of trufiles, English and Belgian filled chocolates: For post-prandial mibbling, try Café-Tasse Santos roasted coffee beans coated in plain, milk or white chocolate (£3.25 for 150g) or hand-finished squares of fine Belgian chocolate, brittle as tree bark, at £3.85 per box. Duchalet, a Swiss dark chocolate liqueur on an apple and pear schnapps base (£11.99), would make a

worthy dessert. French chocolatier Michel Cluizei has prefinced an almost pure chocolate - 99 per cent cocoa with hardly any sugar. If chocolate has gone designer, this is the extreme end of the catwalk. Austerely wrapped in matte black and gold, it is **sold in 30g bars (£1.35)**,

The Chocolate Society's grand crus



Cheers: Janks Paige and Bruce Bennet in 'The House Across the Street' from Stephen Bayley's book 'Gin'

Ronald Grant Acchive

produces "single blend" bars from the rare Criollo, Guanaja, and Trinitario beans which make up only 10 per cent of gly (65p) or in packs of four (£3.15p). the world's production. The flavours are distinctive and the society also produces truffles using its own chocolate and fresh

At Godiva's elegant shop at 247 Regent Street, W1R 7AE (071-495 2845) weary shoppers can revive themselves with a cup of hot chocolate served with piles of whipped cream while choosing from a sumptuous range of filled and moulded chocolates. The coin-stamped Ecu - milk or dark chocolate filled with a bitter hazelnut paste - does more for currency union than any economist.

A wide range of quality chocolate is increasingly available outside London. At Sweet Seductions, 78 Regent Street, Leamington Spa. Warwickshire, CV32 4NS (01926-431017), I found my chocolate choice of the season; a miniature mince

sing a dark chocolate ganache flavoured with rum and cinnamon - available sin-My other seasonal accolade goes to Fortnum & Mason, Piccadilly WIA 1ER

(071-734 8040) for its aptly-named Elegant Thins: wafers of fine chocolate in various flavours (£7.25 for a 250g selection). Cyril Ray's unsponsored, elegantly

written book on Boilinger champagne. first published in 1971 and revised in 1982, was by no means limited to the affairs and wines of that house. It is one of the best books on champagne and its history. with special attention to the famous 1911 riots, when troops were sent in to crush the rebellion of growers protesting at the use by some firms of cheap still wines bought outside the region.

Bollinger was not affected. Now the book has been revived and updated by

at £20, less than the price of a bottle of Special Cuvée). She has provided information on changes in the last decade, details of the industry's structure and her personal appreciations of Bollinger vintages from 1953 to 1988.

Edmund Penning-Rousell

Overall winner of the 1994 organic food awards is Little Marcle Organic Partnership, of Ledbury, Herefordshire, This company grows vegetables, packs them in boxes of mixed seasonal varieties, and delivers them weekly to its subscribers. A box containing enough for two people for a week, costing £6.50, was commended by the judges for freshness, flavour, presentation and value for money. For further information ring 0153-632892.

Winner of the poultry category was P.J. Onions, of East Ashridge Farm, Newark. Nottinghamshire (0949-850268) who grows organic oven-ready chickens.

Philippa Davenpart

Wine Why the next two vintages are crucial

Jancis Robinson with the final part of an article on trends in Australian wines

vous" are two unlikely adjectives which accurately describe Australia's wine exporters at the moment. For the past few years they have been justifiably gung-ho, with wine exports having risen tenfold since 1985 to represent almost one bottle in every four produced. Their muchvaunted plan is to continue to woo oversees wine-drinkers to the tune of A\$1hn in total wine exports by 2000, but they are hitting a few snags - even discounting a French in the late 1980s. Australian comile of natural disasters.

Frost dinted next year's vintage prospects in the all-important Barossa Valley. the most famous wine region in the wine state. South Australia: and a severe drought could well reduce the 1995 vintage in a country that is already short of the premium grapes on which its export sales depend.

There has been a fury of new plantings, which will increase acreage by a good 7 per cent (so much so that many fear there will be a grape giut in five years) but they will not come into production in time to halt a spiral in grape prices for the 1995 and 1996 vintages.

Almost all wine producers depend heavily on grape growers, and paid them an average of 33 per cent more between June 1993 and June 1994, while average domestic wine prices rose just 6 per cent and export prices rose an almost umoticeable i per cent.

Vines take three years to produce a viable crop, so plantings tend to reflect demand with a pronounced lag. Fuelled by 1980s fashions, everyone has been planting Chardonnay, so the most acute medium-term shortages are predicted for premium red varieties such as Shiraz and Pinot Noir.

At the bottom end of the market, there is no lack of basic cheap Sultana and Muscat grapes (which alternate between supplying the wine and dried grape markets). It could be that Australia's fate in the big. had wine world over the next year or so will depend on producers resisting the temptation to stretch the good with the heavily irrigated and distinctly less good.

Australians, like European wine producers, are allowed to blend in up to a total of 15 per cent of grapes, vintages and regions other than those specified on the label, but the catch-all "South Eastern Australia" appellation, devised for export, allows producers to source grapes more or less anywhere except the isolated and rel-

them male, are inveterate travellers. There is already considerable discontent within Australia about "flying winemak-

These antipodean experts make wire in Europe during their quiet winter back home, but there is concern that their activities are simply diluting Australia's technical advantages by exporting them to its commercial rivals, many of them with lower cost-bases.

Having themselves put pressure on the exporters are all too well aware of the increased competition their wines face from South America, South Africa, southern France and Eastern Europe in the mid 1990s. They have won a 6 per cent share of the precious UK market from a standing start, but on the basis of offering

real value for money. Many industry figures are concerned about how they will keep this enviable reputation as prices rise. "We have no alternative but to increase prices," maintains Robin Day, managing director of Pernod-Ricard's Orlando, whose Jacob's Creek range has become Britain's most popular brand of bottled wine. "We simply can't afford to absorb any more results of the currency movements and the grape shortage."

Brian Croser, who successfully negotiated a halt in the rise of domestic wine tax in late 1993, is also chairman of the commercially significant Royal Adelaide Wine Show. He had to report that this year's judging marathon resulted in a dramatic decrease in the number of gold medals awarded in the cheaper wine classes, of wines destined both for export and domestic markets.

"Australia has entered dangerous commercial territory," he warned his fellow wine producers. "The thing central to our success - premium varietal wines at good prices - is vanishing. As the cost-accountants rampage through our cellars, we are becoming producers of FAQ [fair average quality) wines. We must be careful as a viticultural nation that we don't lose sight of why our wines have been successful on export markets."

If by any chance the British did fall out of love with Australian wine (and nearly half the exports from Australia/New Zealand went to the UK last year), things could be very grim for the Australian market. The relatively static domestic market Down Under would find it extremely difficult to absorb the quantities involved without a repeat of the tralia. Australian wine folk, almost all of last down-swing.

ntertainments work up the appetite. Circus and pantomine matinees are easy to cater

Cookery/Philippa Davenport Food fit for another curtain call

when you spill out on to the streets after the performance it is time for a slap-up tea. Gunters, in London's Curson Street, was the favoured venue when I was a child. Warm and brightly lit with a Christmas tree, it brimmed with jovial uncles. The sort of uncles who told silly jokes, who understood full well that sandwiches were of little interest to girls and boys, and who pressed half-crowns into the bands of

for. You hunch beforehand and

When such uncles were in charge, second helpings - even thirds - of ice cream were a distinct possibility, and plates of desirably sticky buns, biscuits and cakes were replenished as fast as they were

devoured: meringues, chocolate eclairs and walnut cake among them. An amazing succession of treats when you consider that sweets were still on ration at the time. Grown-up theatre parties are

more vexed gastronomically, as the timing nearly always cuts across the hour at which one wants to dine. You can of course grab a bite

their nephews and nieces at the end of the day. during the interval to spare you the embarrassment of tummy rumblings during the third act. But in that case the crush of the crush bar and the rosh of eating quickly is liable to replace hunger pangs with terrible indigestion.

Much more civilised, surely, is the old-fashioned habit of tucking into an unhurried bonne bouche before the curtain goes up and returning home afterwards for the main course and dessert. The alternative is to patronise a restaurant close to the theatre that allows you to split your meal m this way.

Traditional bonne bouches include smoked salmon sandwiches, potted shrimps, oysters, oeufs en cocotte and scotch woodcock. More contemporary choices include grilled aubergine with pesto, chicken liver crostini and roasted red peppers with rocket and souid.

The post-theatre part of the supper, if taken at home. should be simple, special and fast work - I mean capable of being brought to table within 10 minutes of opening the front door. And I can think of nothing more appropriate to follow an evening at the opera than sumptuous little tournedos

Rossini was as passionate about food as music. As Harry Luke points out in The Tenth Muse, he composed both The Barber of Seville and La Cenerentola before he was 25 and he did not write another opera after he was 35. "Become rich and idle and concentrating thenceforth on good living, he settled in France ... and devoted the last 40 years of his life to culinary rather than musical composition."

Tournedos Rossini is arguably one of his finest works. It is a dish that demands little time and no special cooking skills. It calls for few ingredients - but the finest.

Escoffier gives the recipe in his Guide to Modern Cookery. "Fry some tournedos in butter. Dish them on crusts of fried bread. On each tournedos lay a round slice of foie gras just a little smaller than the former: the slices should be seasoned. dredged and turned in butter.

On each slice of foie gras, set a. fine slice of truffle." The 1961 edition of Larousse

Gastronomique offers a greedier interpretation, specifying "three good slices of truffle for each tournedos" and it instructs the cook at the end. "to dilute the pan juices with Madeira and demi-glace". Take your pick.

Now, some of you may have gained the impression from my recent cohmns that I do not consider foie gras and truffles good companions. Far from it. It is true that cooking and preserving the two ingredients together strikes me as a terrible waste, for most of the fla-

your and fragrance of a truffle is lost when cooked. As Elizabeth Rostaing, of Gourmet Foods from France, puts it: "Truffles substantially enhance the price but not the flavour of preserved foie gras."
But combining foie gras and truffles at the point of serving is a very different matter - it

is a marriage made in heaven. Fresh white truffles from northern Italy, the most expensive and best, are usually in season until just after Christmas. The season for black truffles from France runs until March. Rostaing is thinking of bringing some over from Provence when they are harvested

there in late January and February. Interested parties should contact her in good time (tel: 081-788 6908 and fax: 081-789 2732).

If tournedos Rossini seem a mite too extravagant even for the festive season, or if some of your guests do not eat meat, an attractive alternative choice for a theatre supper would be a fish soup-cum-stew served with aioli. This is more work for the cook but most of it can be done ahead, leaving you only to reheat the broth (rich fish stock spiked with saffron, wine, chunks of fennel, potato, leek and red pepper) and to add the fishy morsels (monkfish, cod, scallops, squid prawns, mussels or what you will) on your return home.

I suggest following either dish effortlessly with salad and cheese, and offering Elvas plums with coffee as a final

he wallflowers are already flowering in the herbaceous bor-ders and there are dozens of buds on the Pink Perpetue rose up the main front of the house. Can it really be another Christmas in the Sussex Old Rectory to which Julian committed Veronica Sloane Wally from their home in London's Onslow Gardens

eight years ago?

For those coming up the drive, it could be nothing else thanks to Veronica's recent whiting and lighting. An old Sloane friend, Annabel, taught her last year how to spray her Christmas tree with white washing powder, wet-mixed for needle application. This year, she has tried it on the contrasting group of Leylandii cypress and gold-variegated eleagnus which she and Julian planted as the ink dried on the Old Rectory contract in 1986.

Not every visitor has been as whole-hearted about this combination. The cypresses are more than 20ft high, and Veronica jammed her Killaspray while trying to cover them with bio-degradable whiteness before draping them with fairy lights. When nature is refusing to bring Christmas outdoors, it takes a Sigane Wally to do it instead.

While Veronica has been simulating on her step-ladder. Julian has come round to some

Gardening The Internet enters life at the Old Rectory

Robin Lane Fox checks up on the Sloane Wallys

simulation of his own after thinking through the problem of her melancholia. Thanks to last year's City bonuses, properties in Onslow Gardens are still sky-high; thanks to the market for private clients, the price differential between Onslow Gardens and the Old Rectory is much too wide to consider returning in style to

London. Every year, the dull, wet days of November do little for Veronica's nostalgia. This year, daughter Victoria has done even less. It is amazing what a second-class degree in Communication Studies now commands as a London starting salary. Sloane Wallys always like to see enterprise rewarded, but Julian and Veronica were not exactly expecting their newlyemployed daughter to declare seasonal war on Sussex and decamp with an office bonus.

an office partner and a free but not the reality, of English fortnight on Air Miles to Colombia until the new year. Discussing things with friends at the office, Julian ings to the Gulf. In winter. Veronica's code

began to see how to make virtuality out of necessity. For weeks. Victoria has been talking impenetrably about internet surfing, the sky highway and CD-Rom simulation. Two weeks ago, the topics came up again over lunch with his old school friend, Jeremy. Several of Jeremy's contemporaries have been hit badly again by Lloyd's and, this year, they have been forced under the hammer. Two of them are much less bothered about losing the house than losing the garden: window boxes in Pimlico are no compensation. So, they have teamed up in adversity and come up with tomor-

row's alternative Inter-Dig or

global network horticulture.

aims to bring the experience.

country gardening to the house-bound, the bankrupt, and corporate lawyers on post-

name for the pony paddock has always been Siberia. Until Jeremy spelt the address, Julian thought he was joking when he told him to go down to Soho, find Charlotte Street and key in for a session at Cyberia, London's latest state-of-thecomputer-art.

Not only did they offer him some excellent slices of chocolate cake. For £2.50, they made Julian the first Sloane Wally to sit at a keyboard and ion the Internet, bombarding him with a choice of bulletin boards from Bill Clinton's Christmas message on screen to the CIA files on third world agriculture.

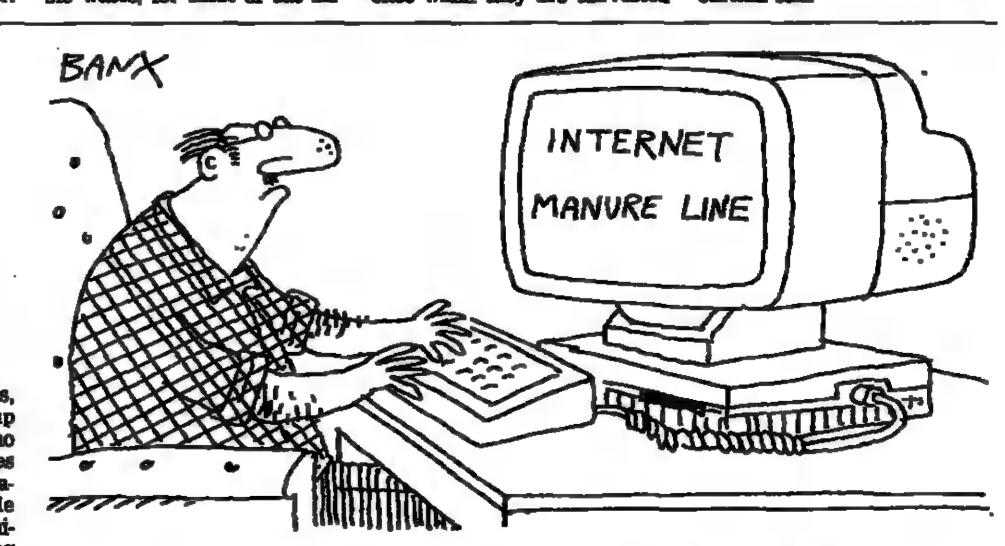
sibilities were open to today's cryptically? At a touch on the without worms or any pain in

gardeners. At cross-terminals, he found himself linked up with Duke in California, who was sharing his experiences with crops of sun-dried toma toes among ceanothus, while an earth group of live-in feminist gardeners was advertising to swap seeds of Jack-goes-

naked for lady's smock.

Thanks to Cyberia, Julian no longer thinks of the information highway as one more billeting about traffic jams on the M25. In half an hour he had girdled the earth without digging it, and he felt himself to be part of a green skyway far above the ground elder in his own camomile lawn

Every winter. Veronica becomes wistful when the rain sweeps in from Horsham. Why not Internet her for Christmas: wire her up and let her enjoy the appearance without the Julian had no idea what pos- experience, as Jeremy put it,



vicariously while surfing above Sussex on the new computer networks in the sky.

Here is how to do it. For

Christmas, Julian has bought her a year's link-up with the Internet, focused specially on gardening and green issues. and helmet membership of Inter-Dig. which aims to simulate any experience from Sittinghurst to an evening with Penelope Hobbouse as soon as you plug it in (Perhaps Inter-Sloane would have been even more effective but, until Onslow Gardens is Internetted, too, a day of apparent weeding

keyboard, she could garden the hips will do something to take the edge off January outside London).

There is one minor uncer-

tainty. Sloane Wallys are

emphatically in favour of the

free market, but Julian did learn at Cyberia that access to the internet is sans frontières. totally free and unrestrictable. It is not only that the CIA file on third world agriculture contains some astonishing statistics about the scale of coca plantations in Colombia and a fact-file on the coca plant's bly by this year's very dry

net in, swap details and surf off to the sky with anyone who makes key contact and takes their fancy. Even on his trial run, Julian Internetted with a girl in dungarees on an allotment who gave a new meaning to the idea of a Green Goddess. What, he wondered, if Veron-

paddock. Worse, recipients can

ica became locked in with some urban soul-mate on a computer latitude far from the home counties? While it might work wonders for the winter blues. Julian did spend last requirements, all of which night, before wrapping up the would have been met admira- gift, reading the instructions to see if access could be consummer in the Old Rectory's trolled at the giver's discretion.

Christian Tyler absorbs history in a city where Christmas eve tradition includes church and a family feast, yet Auschwitz is just a short taxi ride away

place which is the largest medieval at the Wierzynek, the best-known

to celebrate midnight Mass there mushroom pierozki and bread was standing room only. Even after the chimes of midnight had rung, people continued to press through

Woityla, otherwise known as Pope John Paul II.

Lanterns radiated weak light. while the chains from which they hung disappeared into the basilica's gloomy vault. In the dimness, all eves were drawn forward to the tableau vivant being enacted on the high altar where a gilded reredos, 13 metres high, reflected the light of a thousand candles.

Polish Catholicism may be primitive, and the power of the Church may be extraordinary in a postcommunist country, but it has certainly guaranteed the survival of the Christmas traditions which many westerners feel have vanished from their own festival.

That afternoon there had been a double queue of last-minute customers in the liquor store as the shops closed up and families retreated indoors for wigilio, the Christmas eve celebration. Poles, it is well known, like to drink; but they do not celebrate Christmas by getting legless and spewing in the street. No doubt they spend more money than usual, but they do not behave as if Christmas were the joyful summit of the retailing year.

It was dusk, about 4.30pm, when the waiter brought the bill for our Christmas lunch. He had been smilingly solicitous all afternoon. Now he was showing signs of distress. for he wanted to go home to his

there was hardly room on the 1,487,000.00 zlotys was in reality : modest outlay for a west European. restaurant in the city, including ienne. Ukrainian champagne to

On Christmas Day, the streets of Krakow were deserted. In the comtry suburbs, however, on the high banks of the river Vistula, families were out walking. Many carried yew branches, or whole Christmas of the crib, mesmerised by a beautiful angel with blonde hair who waved a torch back and forth with her clockwork arm.

crumbed carp, cost less than 250.

Southern Poland was grey and drizzling. The snow which had whipped across the German-Polish. border and had been piled high in upper Silesia had now petered out altogether. Even on the high Tatras, which stand like a rampart 100km south of Krakow, there was only the thinnest coating of white.

If this part of traditional Christmas was missing, it did not matter. The old city centre of Krakow, formerly the royal capital, is one of the most atmospheric in Europe.

Although the walls surrounding the 13th-century town were knocked down in the early 19th century and the most filled in to make gardens, the medieval bones are clearly visible underneath their neo-classical facelift.

From the surviving barbican on the north-east side to Wawei Castle by the Vistula on the south is a 10-minute walk with enough inside its 78 hectares to occupy 10 days. In the centre of the great square

where traders sell flowers, cheap woollen jumpers and fake caviar stands the colonnaded Cloth Hall. Its long arcade of shops is a good place for Christmas presents: amber jewellery, embroidered linen. carved wooden figures and boxes, fur caps and waistcoats. (All The bill he laid amid the ruins of Poland, of course, is selling Red the feast had so many digits in it Army surplus such as badges, caps,



binoculars, knives, bayonets and -

under the counter - guns.) Beside the Cloth Hall is the tower of the former town hall. Its main surviving office is to house a good beer cellar with permissive opening hours. On the western side is the Jagiellonian University, one of the oldest in Europe, where Copernicus studied astronomy and the present Pope - who apologised for the Roman Catholic church's anti-Copernican mistakes - studied drama and literature. Leonardo da

Vinci's "Lady with an Ermine", rated by some his finest portrait, is to be found in the Czartoryski

At any time of year, Krakow is coaches have departed.

the obvious place from which to make the pilgrimage to the former death camp of Auschwitz-Birkenau. If you have the stomach for it, there is a lot to be said for hiring a taxi and going alone in the cold, grey midwinter when the excursion Auschwitz I, a solidly-built pre-

war army barracks, is where the exhibits are laid out and the history explained. But to see the vast Birkenau camp under a blood-red sunset and to stand by the twisted ruins of the gas chamber-crematoria where more than a million Jews were exterminated is to understand what is meant by "the banality of

- Is the largest medieval square in Poland, in the colonnaded Cloth Hall, shops sell lewellery, embroidered linen and carved wooden figures and boxes

evil" - industrialised mass murder. Steven Spielberg's film masterpiece. Schindler's List, has no doubt helped put Krakow on the map. It was to Krakow that Oskar Schin-

dier came to start in the war supply business, here that the sack of the long-established Jewish ghetto of Kazimierz (so horrifyingly depicted by Spielberg) occurred, and close by that the Plaszow labour camp was set up. From its bland modernised interior it is not obvious, however, that the large Cracovia hotel, a few hundred yards from the city centre, was where Schindler is said to have ingratiated himself with his Nazi

Yet Krakow is a rare example of a not to the Christmas spirit.

continental European city that shows no wartime scars: Nor would the visitor guess that a few kilometres from the centre is the vast steelworks of Nowa Huta, responsible for half the country's output and most of the city's pollution. The works was put there deliber-

ately by the former communist government to give hourgeois Krakow some appropriate proletarian balance. It has done no damage to the spirit of the place - and especially

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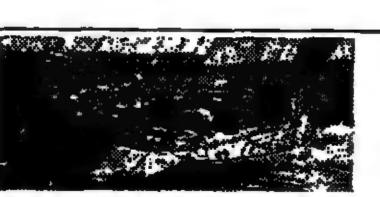
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The Pope in winter

Continued from Page I

successor will bear the stamp of the Polish pontiff's views. In the event of a new conclave, 100 of the 120 cardinals who are under the age of 80 and are allowed to vote have now been chosen by the Pope. This has led to further criticism from liberals, yearning for a less autocratic successor. Their favourite is the 66-yearold archbishop of Milan, Cardinal Carlo Maria Martini, a Jesuit with a reputation as a conciliator who is described frequently in Italy as the "pope

in waiting In all this, the Pope's health has become the greatest imponderable. In July 1992, a benign tumour was removed from his colon. Then, in April this year, he slipped in his bathroom. As a result of the fall, he has had metal alloy replacements for part of a broken thigh bone and has not recovered fully.

Yet, the Pope refuses to rest. Joaquin Navarro Vals, the Vatican spokesman and one of the few with daily access to the Pope, says: "The holy father works every day of the week, 16 hours a day, and he is 74 years old. No weekends."

The media, which he exploited so successfully in the early years of his papacy, is now taking an intense interest in his age and infirmities. The effects are cruelly visible on television and in photographs. in October, when the Pope confronted a crowd in front of St Peter's shouting "Viva il Papa". he said as an aside: "Per ora vive" ("At least he's still alive").

Despite this good humour. the Pope is becoming more distant and withdrawn in public. often slumped in meditation. There have always been two sides to his complex character - the philosopher wrapped in abstract thought and the emotional poetic man of action. Now. the meditative side is taking over.

This impression is reinforced by the interview with the Pope conducted by an Italian journalist. Vittorio Messori, and published in book form this autumn. Despite its frequently dense philosophical prose, the book has become an international best-seller - proving the extraordinary magnetism of Pope Wojtyla. It has topped the lists in the US and the UK: in France, it is in its fourth edition; in Italy, more than 830,000 copies have been sold. Editions are being prepared in Chinese and Russian.

Yet, this evidence for the continuing influence of the Pope's strong conservative views has worried many of his critics within the Church. The danger, they argue, is that the Church risks finding itself with another "Pio Nono" - a reference to Phus IX who, in 1870. consummated his 32-year pontificate with the First Vatican

papal infallibility. They fear John Paul II will become even more reactionary and continue to rein in the pro-

Council and the declaration of

The Holy Father works every day of the week, 16 hours a day, and he is 74

cess of collegiality and democratisation launched by the Second Vatican Council under Pope John XXIII. The Pope, they add, has suggested he is keen to draw up a new definition of infallibility.

They also argue that he has already, on occasion, made some serious political and diplomatic errors of judgment. One example was his decision to grant Kurt Waldheim, the former Austrian president who concealed his war-time involvement with German intelligence in Croatia, a papal knighthood for services to human rights. The Pope's efforts to achieve

a rapprochement with Orthodox churches have been far from successful. The collapse of communism in eastern Europe - which he helped to bring about - bas, if anything. exacerbated long-standing rivalries. The Russian Orthodox Church had been forced to collaborate with the Soviet regime and took over some Catholic institutions. Now, it views Rome as a proselytising threat and an institution that could reclaim property.

In the former Yugoslavia, civil war has been given an added vicious twist by the rivalry between the Orthodox Serbs and Catholic Croats. Indeed, the Vatican was so anxious to back the Croats that it was the first, along with Germany, to recognise independent Croatia and Slovenia.

Since then, the Holy See has being doing its best to minimise the consequences of this hasty diplomatic recognition. But the Serbs have not forgiven the Pope, and they

forced him to cancel a visit to Sarajevo earlier this year.

The Pope's big project, which he hopes will reunite the Church and revive its prestige and popularity, is to hold a special jubilee to mark the millennium, attracting perhaps 40m pilgrims to Rome during the year and large numbers to the Holy Land. A Catholic jubilee has, his-

torically, been the occasion for

individuals to seek pardon for

their sins. The Pope is expected to use this jubilee to reexamine the Church to see where it, too, may have erred. This will include a re-assessment of the inquisition, the persecution of intellectuals and scientific thought (as with Galileo), its support of the colonisation of the Americas and

more recently, the role of the Church during the Holocaust. Yet, the jubilee also contains many pitfalls for a Pope identified with the most conservative side of Catholicism. As the gan widens between what the Vatican preaches and how modern industrialised societies behave, he is vulnerable to criticism for being obstinately

out of touch. This gap was much in evidence at the recent United Nations population conference in Cairo. A strong Vatican delegation fought tenaciously to avoid acceptance of artificial birth control, much to the dismay of the conference organisers. Although it was unsuc-

The media are now taking an intense interest in his age and infirmities

pleased to have forced moral issues on to the agenda. Taking a moral stand might not be enough. The Church cannot indefinitely ignore public opinion on issues such as birth control, women in the priesthood, and priestly celibacy. Of all the issues splitting liberals and traditionalists, the Pope's uncompromising view

cessful, the Vatican was

on birth control is the single biggest divide. Many Catholics disagree with the official doctrine and use artificial contraception. Many Catholic countries also have some of the lowest birth rates in the world. For them, the Pope's crusade against

what he has termed the "contraception mentality" has simply turned them away from the Church, just as the Vatican's insistence on priestly celibacy (which became obligatory only in the 13th century) has been largely responsible for about 100,000 priests leaving the priesthood in the past 25 years. John Paul II has clearly been

touched by these criticisms. In his book, he insists: "I must repeat that I categorically reject every accusation or suspicion concerning the Pope's alleged 'obsession' with this

He adds: "We cannot afford forms of permissiveness that would lead directly to the trampling of human rights, and also to the complete destruction of values which are fundamental not only for the lives of individuals and families but for society itself." Even inside the sacred col-

lege, there are advocates of a more pragmatic approach. In an important interview with John Cornwall, the papabile, Cardinal Martini of Milan conceded that the Church's teaching on contraception had not been expressed "so well". The problem was a relatively

new one. "The Church, on the other hand, thinks very slowly, so I'm confident we will find some formula to state things better, so that the problem is better understood and more adapted to reality." he said. Martini was also confident

that the holy spirit would guide the Church to resolve the problem, just as the Church had overcome other moral problems in the past. Usury was considered a serious sin in the middle ages although everyone practised it Little by little, the Church began to see usury in a different light, although it took centuries to resolve the problem.

No one questions the power of the Pope's conviction, his role in helping to bring down communism and setting forward a serious intellectual aiternative to the consumerism of capitalist societies which, he feels, has created a godless world without values. But can the Church afford to wait centuries to resolve the problem of birth control? And can it be achieved under a Pope with an absolutist view on dogma?

As John Paul II enters the twilight of his papacy, the biggest challenge facing the Roman Church is to recruite its flock. Whether Karol Wojtyla is the right shepherd to lead it into the next millennium remains an open question.

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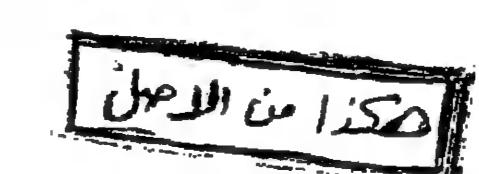
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Cuba: cash-strapped and jerry-rigged

Nicholas Woodsworth visits a small town where everyone lives in the past - and even lighting the kitchen stove is a challenge

world of holiday travel? Not a great deal, I decided es we banked in low over isim-tringed coast and oohs nd ashs of anticipation rose

Criba is not for everyone, it nems - especially not for phans. In the last few years he threat of imminent extincion by sharks, by storms, by rowning - has done little to eter tens of thousands of from hopping into rafts and paddling One has to wonder what ven greater threats at home them to so desperate a

Or does one? No one aboard light seemed to be wondering t all As we touched down on Suban soil at Varadero airport. n entire plane-load of rowdy leasure-seekers broke into nthusiastic applause. There vere cheers and whistles all round. It was as if we were arriving in the promised land. A couple of days passed, and began to realise that for recession-bitten, snowbound Canadians, we indeed had. Varadero, Cuba's largest beach Aresort, was everything their Atravel agents promised - the cheapest Caribbean package Tholiday on offer. With the US market out of reach, Canadian

Cuba's best customers. What matter if Cuban touris ruled by institutionalised inefficiency, by a sort of Mañana-Marxism? What matter if the showers are temperamental, if service is as slow as maple syrup in January? The rum is cheap, the white sand beach is 20km long, and the winter sun shines with a kindness that can make a grown

budget tourists are among

Canadian cry. I soon got the hankering to try a different kind of tourism. I am as fond of sea and sun as anyone else, but quickly grew tired of the hotel barbecue andcabaret-show atmosphere. How often can you listen to "Guantanamera", after all, without feeling it is time to move on? What about a little conven-

tional tourism, I wondered, some sightseeing around the

It seemed easy enough to arrange. There were car hire agents and travel advisers sitting bored to tears behind hotel lobby desks. "Take a jeep," they urged me, smiling reassurance and thrilled to have a customer. "Visit historic Trinidad."

And so I did. It was not long though, before I discovered that there is little of the conventional about any holiday travel in Cuba.

Why, I wondered as I barrelled along the Ocho Vias - the great eight-iane motorway that cuts a swathe down the middle of the island - was mine the only vehicle on the road? Was the highway closed? Had there been flash floods, earthquakes, some other dreadful calamity? But no, I realised after driving 100 more kilometres and spotting at least a dozen other vehicles - this was just another day in cash-strapped jerry-rigged, muddle-on Cuba.

Desertion by the former Soviet Union and four years of economic crisis has left little transport in Cuba. There is not much petrol. There are few spare parts, few private cars. few state trucks to get produce to the hungry cities. Roadside hopefuls stand for hours flagging down anything on wheels. Drivers resort to prayers, bits of old wire and constant roadside tinkering. Not even the state itself, it appeared, was immune to breakdown - outside Jaguey Grande, I passed

two grey-uniformed policemen sweating under the hot sun as they patiently pushed their little Bast German-built police car down the road. Near the town of Aguada de Pasajeros, I turned off the motorway towards the sea.

Some four hours away, at the foot of the Escambray hills, lay the little town of Trinidad. If the Ochos Vias indicated Cuba's drift away from the modern age, life along these smaller country roads seemed to presage its return to a pre-



For many of Cube's youngsters, the manufactured essentials of modern life are often out of reach

Heading for sleepy, tinroofed villages where nothing moved, paired bullocks drew wooden carts along at infinitesimal speeds. By the roadside an unhusked rice harvest lay drying in the sun. Egrets hunted for frogs at the edge of sugar cane fields. Straw hats perched on their heads and machetes swinging from their belts, men on horseback rode out of the towns to tend their crops and herds of humpbacked Zebu cattle.

The whole perspective was so unhurried, so timeless and so close to the margins of subsistence that were it not for the bright blue Caribbean nearby I might have thought myself in one of the more forgotten corners of Africa. The impression of a return to some sort of pre-consumer age

only strengthened as I drove along the cobbled streets on the outskirts of Trinidad. "Jabon! Jabon!" housewives appealed loudly to me from their front doors. It is not only soap that has recently disappeared from their daily lives: if rural Cubans eat better than the citizens of Havana, the manufactured essentials of modern life - everything from shoes to light bulbs to cooking pots - are often out of reach.

Half an hour later I was standing in Luz Garcia's kitchen while she made me coffee. With the household rationed to just one small box of matches per month, even lighting the stove to boil water had become an exercise in accommodation and meals,

Beside the stove Senora Garcia kept a little metal dipper with a twist of cotton at its end. To get a flame she removed it from the bottle of alcohol in which it sat soaking and ran it lightly over the two exposed wires of a live electrical cord. There was a short circuit, a crackle of sparks, and suddenly, a flame.

The trick was not to short out the lights at the same time. The other trick, of course, was to ensure there was a supply of cooking gas to ignite, no mean feat in Cuba these days. In order to keep their household

serve their 16th-century Spanfunctioning, the Garcia family scout out tourists like me. ish colonial town, residents With the dollars earnt from here would not change a shut-

ter or a tile.

they are able to supply their It was not so surprising, he more pressing needs. added. Trinidad looks back to The Garcia's house was a the golden age when slave large, airy building with vastly labour and more than 50 sugar high ceilings. Need had transplantations brought vast wealth and European sophistiformed what had once been a courtvard rose garden into a cation to an isolated town. courtyard vegetable garden. When mechanisation sent world sugar prices plummeting But inside there were still intimations of a far more opulent in the 1850s, Trinidad's betterpast. There were doors and furoff citizens sailed away and the niture of cedarwood, coloured town, cut off by the surroundglass windows, and large diaing Escambray mountains, was

monds of black and white Ital-

ian marble on the floor.

It was untouched and forgot-Everyone in Trinidad, said ten for a century. The 1950s Senor Garcia, lives in the past. brought not only the first road In their determination to preto the town, but Fidel Castro's

left to its memories.

revolution. So set in their ways and ferociously resistant to change were Trinidadians by this time that many took to the Escambray where they waged counter-revolution. They were wiped out after a bitter fiveyear campaign, but Trinidad's conservative bent remains.

And so a walk later that afternoon proved - the past was everywhere in Trinidad's colonial churches, convents towers, squares, courtyards and cobbled streets. Each pastel-tinted house, with its wrought-iron window grills, carved wooden beams and iron-studded doors was a small museum in itself. A little treasure, the town has been declared a site of world cultural heritage by Unesco.

flocking to Trinidad on the strength of it? It appeared unlikely to me that evening when I visited the town's most popular watering-hole.

In La Canchanchara bar, the oldest building in town, normal service was held up as local hotel, bar and restaurant workers met to thrash out problems. There was no transport to the Escambray resort hotels high in the hills . should employees hitchhike apply for lorry transport, wait for Havana to do something? The argument raged, In the end it appeared that bicycles were the most realistic, if also the most exhausting option.

No sooner was a vote to be held on the matter than the room went pitch black. Power failures in Trinidad are almost as common as cuts to the town's water supply. The vote was summarily cancelled until the next meeting, and the workers filed noisely out.

A candle and a drink were eventually found. I sat in the quiet meditating on the day. The past was all very well, thought, but in subtle doses Cuba seemed so far plunged into a confusing darkness that for the moment there were few signs of where the future lay. sat a few minutes more watching bats swooping about the ceiling of La Canchanchara. then drained my glass and felt my way back through cobbled

n winter

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Woe to Joy as Japan falls to Schiller

Gerard Baker tries to understand why Beethoven's Ninth Symphony takes such a firm grip on the Japanese at this time of year

caught the first few bars of the familiar tune one morning as I headed for L the subway station. Treude, schöner, Götterfunken,

Tochter aus Elysium...' Behind me, a beWalkmanned middle-aged Japanese gentleman was belting out Schiller with more brio than I imagine even its author felt as he ...- penned those famous lines. There was nothing particularly unusual about the scene.

The socially-dependent Japanese escape into a kind of delinquent solipsism when they slip on their headsets, and I knew well enough that they have a strong penchant for western classical music (if you have ever heard Japanese classical music you will probably know why).

But what I did not know then, and only later discovered, was that the early morning chorister was probably preparing to take part in one of the oddest of Japanese rituals For every new year, in what can only be described as a national mania, the country is completely hooked on Beethoven's Ninth Symphony.

In late December and early January, hundreds of performances of the Choral symphony, or the Dailas, meaning "The Ninth", are held through-

They range in skill level and sense of occasion - from the world's best orchestras playing to packed houses in the costliest pieces of real estate in the world, to desultory gatherings and the tone-deaf under the moonlight and the influence of drink in snowy mountain vil-

This year more than 70 concerts are planned in Tokyo alone - and that is just the official sort, for which enthusiasts pay up to Y150,000 (about **£950)** per head.

Elsewhere, in the pretty joyless surroundings of Tokyo's concrete maze, the amateurs hopefully intone the Ode to

Someone, somewhere, once estimated that up to one third of the entire Japanese population - 40m - hear a rendition of the Dailas over the new year

This might appear hard to noisome merry Christmas.



fathom anywhere outside Japan. Cross-cultural influences are limited and it is not easy to imagine a third of the population of the US taking up sumo or 25m Germans putting in overtime at the karaoke par-

But in Japan, a country hardly lacking in its own cultural heritage, the capacity to absorb western influences seems limitless.

That capacity produces its nadir of poor taste in the Christmas season. Although less than 2 per cent of the populace professes Christian belief, the Japanese enter into the spirit of yuletide with all the enthusiasm of a small child confronted with a pile of presents on Christmas morning, and about the same degree of spiritual awareness.

From gaudy lights and carol muzak to pine trees (at £15 per foot surely the most expensive bits of conifer anywhere in the world?) and round-the-clock showings of Hollywood's most saccharine seasonal creations. Japan enjoys a particularly

The Daiku fixation is the most extreme (and the least unappealing) manifestation of that embrace of things western. For weeks beforehand, singers brush up on their German pronunciation.

That is no easy task for most Japanese since the letter L defeats many of them and German has far more vowel sounds, so phrases such as Fillgel weilt are rendered almost incomprehensible. Public radio stations help, though, by providing weekly tuition from the middle of November on how to

sing the Dailar As with most traditions, no one seems to have the definitive explanation as to how it started. Theories range from the implausible - German prisoners of war in Japan (Japan?) in 1917 used to chant it on circuits of the compound - to the

improbable. One theory has it that it was first performed by a German conductor on contract to a Japanese orchestra during the second world war - a thesis that leaves one with the unnerving thought that what is now the official anthem of the European Union was once a kind of battle hymn of the Axis pow-

Mercifully, most experts think its provenance is more recent - its present popularity is probably the result of a media embellishment in the early 1980s of an obscure rural tradition. But much harder to answer is the question: why has it captured the imagination of a whole nation in such a spectacular way?

The sophisticated view, to which many Japanese cling, is that the combination of Schiller's words and Beethoven's music attests to earth's beauty and the harmony of man and nature - subjects close to the hearts of Japanese, appar-

It was striking that at the official launch of the latest political party in Japan - the Shinshinto, or New Frontier Party - earlier this month, the Ninth was waved like a talisman, explicitly invoking a spirit of co-operation and harmony otherwise noticeably lacking in the proceedings.

What better time for the nation to express that harmony than at the start of a new year? A more cynical explanation

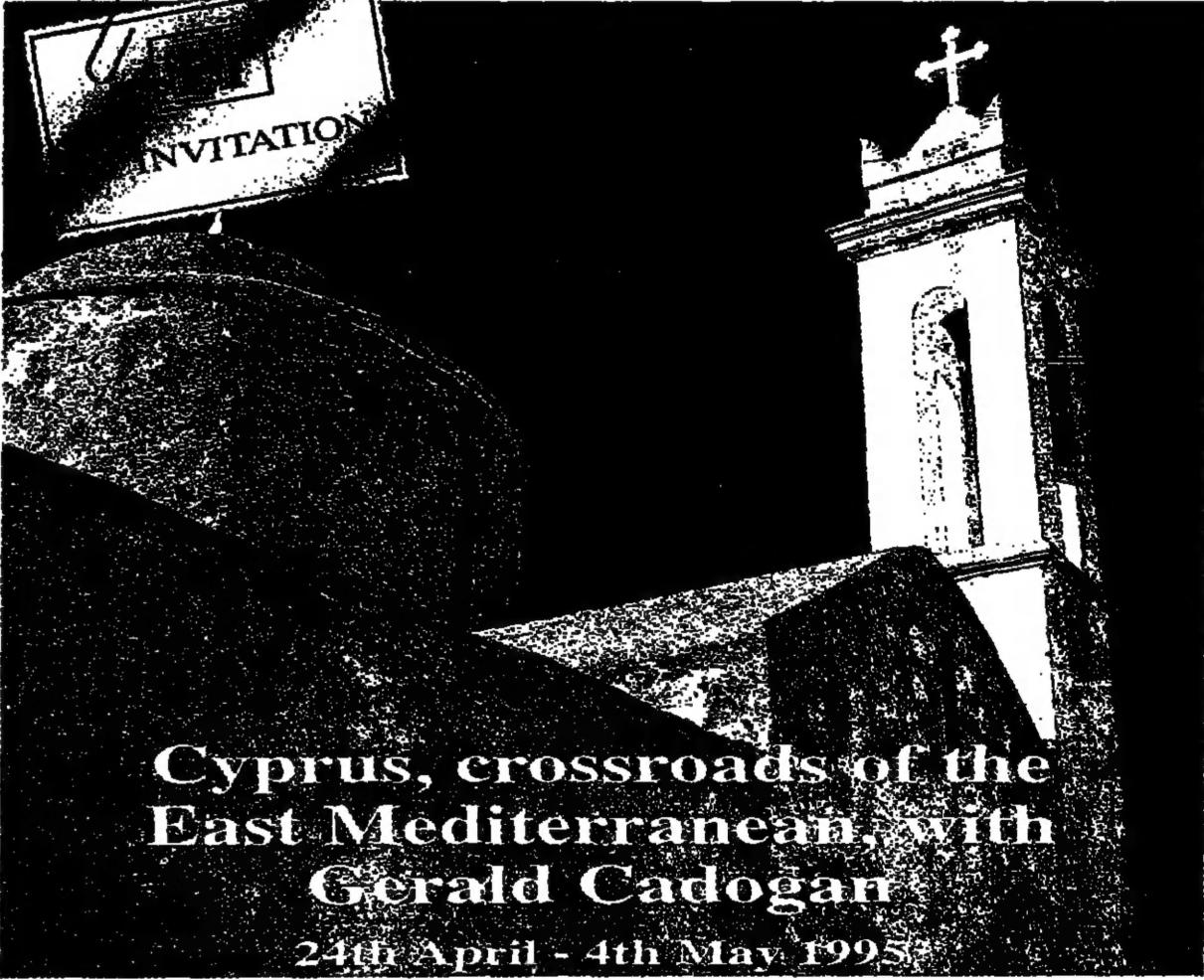
is that the chorale appeals to the basic Japanese demand for uniformity. The need for thousands of people all to be doing exactly the same thing at the same time is almost a model of Japanese society at work.

There is as little scope for individuality in singing the Ode to Joy as there is on the production line, the office, the home or the beer hall. It is the musical expression of Japaneseness - perfect

togetherness where, even if someone departed from the lyrics, he would never be heard and would be shamed back into conformity. That might be a little unfair

these days as Japan's confidence in its own perpetual social cohesion is starting to shake a little. And maybe the simplest theory, that it is just a good tune, and the Jananese have excellent taste, is the cor-

in any case, it beats getting drunk and offensive in London's Trafalear Square.



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"On the first day of Christmas my true love sent to me..."

ere is a list for dreamers. Ever thought what a tim would buy home? Ever imagined that perfect house that you might, one day, afford if you won the lot-

You would be lucky to find someone on Christmas Eve duty in an estate agent's office ... but you never know. Christmas is a time when wishes are sometimes made real. Here is a £1m property for each of the 12 days of Christ-

☐ Christmas Day demands a family home big enough to hold all the relations once a year. The 1847 red brick Bell Hall at Belbroughton, Worcs, is spot on for price and size, and boasts a billiard room, a covered swimming pool, an art gallery and a 12th century chapel for family carols. (John D Wood, Oxford, 01865-311522). ☐ Boxing Day needs a hunting and shooting property. For a change from the Boxing Day meet in Bicester, Oxfordshire, try Virginia in the US. Ricochet, near Charlottesville, has 292 acres of wood, pasture, creeks and springs, stabling for eight, and views to the Blue Ridge mountains. A large log cabin, dating from 1848, has been added to the house to create a family room and new master bedroom. (Frank Hardy, Charlottesville. 001-804-296 0134, \$1.25m).

□ Day III. If the US is too distant and you want an English base, £1m would buy the 15th century Upton Farm near Guildford, Surrey, with stables, barn, fine gardens and a twobedroom lodge with 1L5 acres. seven of them a paddock. (Browns, Guildford, 01483-31166).

On Day IV your thoughts may turn to sunnier climes. A newly- built villa, at Bar sur Loup in Provence, has a spectacular view over the Gorges du Loup down to the sea, 15km away, and a pool so that you need not trek down to the coast to swim. It is set in 2.5 acres of oaks and olives. (SPA Properties, London, 071-483 0606, FFr8.5m.

☐ Day V offers a piece of traditional France, the 12th, 15th and 17th century Château du Belet in Perigord, beautifully restored by a Paris antiques



Property/Gerald Cadogan

Yours for a million

Outbuildings include a dovecote, barn and lodge, and it has 112 acres with the calme absolu that the Guide Michelin awards a rocking chair for. An ideal base for degustation of truffles and foie gras. Some rooms are still unrestored. (Philip Hawkes, Paris, 00331-42 68 11 11, FFr10m negotiable).

Day VI is for southern Africa, where a game lodge in Zimbabwe, with a 9,000-acre estate, costs precisely £1m. Elephants, lions, leopards and cheetah await you. The lodge has five chalets. (Harrison & Hine, London, 071-600 6660). □ In many countries New

Year's Eve is the night to play cards, which will tell you your fortune for the coming year. If you are devoted to racehorses, buying a stud could be a winning bet. Leading jockey Pat Eddery is selling Barretistown, near Aylesbury, Bucks, for film. It must be a good sign that it is the birthplace of the

first fim yearling (Trojan Prince). The farm has two cottages, a top quality yard and 72 acres of smartly railed paddocks. There is outline planning permission for a large house. (John D Wood, as

☐ Celebrate New Year's Day with shopping and culture in New York. Beaney Pearce in London offers three suggestions for apartments around the magic million (sterling): 106 Central Park South, a big (2,800 sq ft) seventh-floor, three bedroom flat for \$1.6m, or a two-bedroom apartment on the 24th floor for \$1.495m; and at 721 Fifth Avenue a two-bedroom (1,500 sq ft) on the 48th floor for \$1.5m. (071-589 1333). □ On Day IX, whims may change. Your beloved may opt, instead, for a New York-type experience in London. That is not so easy to find, but the Manhattan Loft Corporation

will come to the rescue, with

four penthouse-lofts in its Soho Lofts development in Wardour Street, W1. Each penthouse has a curved roof on a steel frame. Prices range from £850,000 (1,850 sq ft) to £1.15m (2,400 sq ft). A Conran restaurant will take the basement and ground floor of the building (071-495

☐ For Day X a Regency coun-

try house near the north Norfolk coast is the suggestion. Savills in Norwich offers a long lease at £1m on Sheringham Hall - a straightforward but handsome classic design by Humphry Repton, built between 1812 and 1817. Six acres of gardens come with the house, but the park and woods stay with the National Trust, which is the freeholder. (01603-612211). Day XI. Thoughts turn to a

period house in the country. The Old Manor, at Aldbourne. Wiltshire, built in 1740, could be the answer.

This long, symmetrical red brick house with a slate roof looks essence of Georgian. Its surprise is on the garden side. where a columned conservatory runs almost the length of the building. (Savills, London, 0171-499 8644. offers over

☐ Twelfth Night is the last day of Christmas cheer. Time to think of work again. What is on offer at around £1m in London? Two possibilities, at £1.1m each, are 1 Prince Albert Road, NW1, a Nash house overlooking Regent's Park (John D Wood, St John's Wood, 071-722 5556), or 1-2 Connaught Square, W2, interconnecting houses on the Hyde Park estate. (Parkways, 071-813 0022). Or for £995,000 consider the turn of the century red brick 49 Bedford Gardens, W8, in Kensington between Campden Hill Road and Kensington Church Street (John D Wood, KensingMotoring/Stuart Marshall

Christmas country. The firs and birches hung heavily with hoar frost. The surface was snow that had packed down into rutted ice. In the day-long Arctic twilight, the main problem was deciding where the snowbanks ended and the road began.

The hig estate car I was driving through Sweden felt reassuringly sure-footed and could be persuaded easily to take bends sideways in a spectacular-looking, but entirely controllable, four-wheel drift. It was Volvo's latest 2.5-litre, sixcylinder 960 with five-speed manual transmission, studded tyres, and a differential that locks automatically when the rear wheels spin at low speeds on ice.

As I flung it around, I wondered what the average Volvo estate owner in Britain would are esteemed in the UK as family hold-alls ideal for school runs and camping holidays and by antique dealers as the nearest thing to a van that is still a most comfortable car. Motoring magazines - read

mainly by enthusiasts who judge all cars by their 0-60mph (0-95kph) acceleration times have poured scorn on the traditional, rear-wheel driven Volvos. They are dismissed as unwieldy, boring machines bought by the status-conscious and safety-obsessed.

I have never gone along with this. In the past 20 years, I have driven Volvos extensively, from the 240 version onwards. Some trips involved

three-day, mid-winter journeys from the Gulf of Bothnia to Bodo in northern Norway, or from southern Sweden to Kiruma, near Murmansk. Others were in Britain, where the year-round hazards of heavy traffic are different.

In Arctic Scandinavia, you must keep your eyes peeled for reindeer emerging from the forests and the flashing amber lights of a distant snow-plough. Until the front-wheel driven 850 came along recently. Volvo cars have had rear-wheel drive only - certainly, never four-wheel drive. In Britain,

many believe that front-wheel drive, with the engine's weight increasing traction, is better for driving on snow and that, for serious anow of more than an inch or two, four-wheel drive is essential. Volvo disagrees. It says four-wheel drive has become a

in any case, it does not guarantee that a car will be free from wheel-spir. To be totally effective, a 4x4 car must have locking or power-distributing differentials on both axles. According: to Volvo,

four-wheel drive justifies its extra weight, cost and complication only when a car has to force its way over difficult terrain, or has a very high powerto-weight ratio. Not having four-wheel drive in its techno-

logical armoury, there could be an touch of special pleading in this. But any 4x4 owner who has tried to get going on slightly sloping wet grass or black ice will know what the company means.

The answer to safe driving on snow and ice is three-fold: the right kind of tyres - ideally, fitted with studs; anti-lock brakes; and a differential that locks on a rear-drive car, or allocates the engine power to the wheel with most grip on a front-drive car. (Locking the differential on a front-drive car would cause severe steering

problems). Winter tyres with treads that stay grippy at low temperatures are even better when fitted with 100 or more studs which actually dig into the top millimetre of an icy surface. The trouble is, they also dis into tarmac or concrete and wear out roads. For this reason, Germany banned them

vears ago. If you know you will be driving on snow for half the year. you fit a set of studded tyres in October and hope to be able to would be a pointless expense in Britain where unstudded all-season tyres such as the Goodyear Vector. Vredestein Snowstar or Semperit Top-Grip SLG are the best option; they combine the virtues of winter and summer tyres.

Before having fun on the closed tracks of the Arctic Driving Centre, I drove one of Volvo's latest three-litre 960 saloons for 200km on roads that had been snow-ploughed but otherwise left alone. With a self-locking differential and automatic transmission in winter mode, it started in third gear. Wheel-spin, even when pulling away on a slope, was

As it was the first time I had driven on hard-packed snow for a year, I took no liberties. Not so on the way back from the centre. Having reminded myself how stable and controllable a Volvo on studded tyres could be - even when panicbraked - I drove as I would in a summer-tyred car on wet roads.

No, I promise there were no dramatic moments. Just a feeling that Britons who drive Volvos - like most of those who drive Range Rovers - have absolutely no idea how good (they really are in the conditions for which they were bred.

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Mary Bunter discovers a hotelier hidden in an Algarve almond grove

was look at that," Bill ing as collateral. Hawkins says, almost to himself, as we pull up in the turning circle edged by fig trees and bougainvillaea which fronts his country-house hotel in Portugal. that he is still filled with pride

It is perhaps not surprising each time he arrives at the steps to the sprawling, gracious. 18th-century former farmhouse billed as "the Algarve's most picturesque hotel".

It has been a 10-year uphill climb against soaring interest rates. He has had little support from banks, whether in Portugal or in the UK, to achieve his ambition of building a four-star establishment renowned for its cuisine. Now the Monte do Casal.

perched on a rise a mile or so from the village of Estoi. attracts a following of holidaymakers who return year after year, and sometimes two or three times a year, to enjoy the good life the hotel has to offer. Some 30 per cent of bookings are repeat visits, and many

others stem from personal recommendations The hotel is also featured in the Sovereign brochure, and now several other holiday companies are interested in taking it on to their books.

"The only way you're going to succeed initially is by using a tour operator, although you might not want to," says Hawkins.

He arrived in the Algarve with his wife and two small children 10 years ago. They bought the semi-restored house on a former 50-acre almond plantation for an initial investment of £100,000 from family finances and a bank loan, and started a decade of hard work. The first year there were

only seven rooms, three of which were suites. Year three saw the bar and dining room constructed from the old coach house. By the fifth year the hotel looked much as it does

now. On top of the purchase price, Hawkins spent £250,000 on renovation. The money came mainly from ploughing profits back into the business. Interest rates in Portugal were running at between 28 and 30 per cent while Hawkins was developing the business and he found that neither British nor Portuguese banks would accept the build-

The guests were, by comparison, easier to find. In 1984. Hawkins advertised in British newspapers and soon the hotel was attracting people looking for something a little different in the Algarve.

And different it is - most other hotels in the Algarve of comparable standard have 200 beds or more. The Monte do Casal has 12, five of which are **Tourism**

has its downside. It can completely destroy the natural charm of an area

suites with their own sitting rooms and French windows that open on to private terraces where guests are served a leisurely breakfast.

Hawkins is not only the owner and host but head chef. too. He has come through the rigours of training with the Savoy Group, including some time at Claridge's. He has also worked in Bermuda, at the Reels Hotel, and in Switzer land, at the Hotel des Beques. He cooks with the belp of his Portuguese assistant chef six

nights a week and most lunchtimes, catering not only for the hotel guests but many outside visitors as well. It is a stressful existence which would not suit every

would-be escapee from the British rat-race. "Coming to the Algarve was a real challenge. I wanted to

develop my own hotel from scratch, with a very individualistic. English country-house feel," said Hawkins. "It must have worked - we had one couple come to stay who had booked purely on the strength of a recommendation from other guests at a dinner party." Monday is his day off - a time to play tennis with friends, or take a drive along the coast for dinner at one of

the nicturesque establishments

At the Dom Joao restaurant

he recommends to his clients.

in Fabrica, he is greeted as an

old friend. He asks what local cork trees and peasant farmers fish is good on the mem in Portuguese – he has taught himself the language. When it is time to leave, he wistfully promises the owner that one day, they will go fishing

together. One casualty of the hard work and long hours involved running the hotel is Hawkins' marriage. His wife Carol, who previously ran the hotel with him, is now back home in England with their two daughters.

Another could be the overexposure of this unspollt area. The never-ending stream of tourists needed to feed the business will inevitably contribute to eroding the "alternative Algarve" of which Hawkins is so fond.

Each new batch of guests at Monte do Casal is greeted by Hawkins on their first morning. He presses a map of the area into their hands and gives advice drawn from his personal experience on the most picturesque routes and areas away from the crowds. Most, if not all, of the hotel's rival establishments are the

N125 highway which cuts through the Algarve. It separates the concrete purgatory of its over-developed coastal tourist developments from the unspoilt interior of

other side of the notorious

Hawkins' "hidden Algarve" Running parallel to the N125 is a newly-built motorway. which in two years will join the Algarve to Lisbon, opening the area further to tourism. "Tourism has its downside.

It can completely destroy the natural charm of an area if development is allowed unchecked," says Hawkins. "But the Portuguese government seems to have learnt from earlier mistakes and I'm hopeful the area will become

more accessible while retaining its character." In the meantime, with an annual turnover of £500,000 and an occupancy rate of 80 per cent, his hotel has other. more pressing problems.

Each year in about December. Hawkins returns to England to interview staff to replace those who inevitably move on in this peripatetic business. He advertises in The Lady, looking for that certain something which will make all the difference to British guests at Monte do Casal.

He says: "It's very difficult, because the staff in a small hotel such as this make or break the atmosphere. It's one of the trickier recipes" ■ Monte do Casal, Estoi, 8000 Faro, Algarve, Portugal. Tel: 010 351 89 91503. Fax: 010 351 89 91341

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Snow Underdog that does not bite

Simon Hughes argues that Britain's teams can learn to stop losing

recent performances of some of Britain's national teams that the British invented most of the world's main sports. Between 1860 and 1885 the British codified almost two dozen games. The coundiligent colonists launched them on the dirt tracks and dust bowls of the Empire.

But now, in team sports at least. Britain teeters on the brink of a precipice. Its footballers failed to reach the finals of the World Cup. In hockey, cricket and rugby league, British teams are no match for the Australians. The England cricket team on tour to Australia lost twice to Australia's cricket academy and was beaten in a one-day international by the part-timers from Zimbabwe last week.

In due course the dictionary writers might decide to list "England Test Collapse" as all one word. Whenever England's cricketers take the field, they do so more in hope than expectation. They seem to be caught in the downward spiral with the echo of a laughing Kangaroo in their ears. Losing has become a cycle that is hard to

reverse. But it can be done. Australia suffered the same disease in the mid-1980s and took action. It invested hugely in setting up the Australian Institute of Sport, realising that sport had become a science. It established schools of excellence. employed specialists and drilled home the ethic of winning

from the dreadful tice became fun rather than a chore and the Japanese philosophy of Kai Zen (constant improvement) coursed through competitors veins. As a result the familiar brawny bravado of Australian teams has been replaced by clinical efficienc and a remorseless zeal.

"Winning is the science of being totally prepared," said Dr Peter Terry, a sports psychologist at the West London Institute. It is a message some British teams are not heed-

In sport boardrooms there are some dyed-in-the-wool attitudes among the ageing policy makers. Other countries move forward, embracing new concepts and approaches, Britain does not A strange gene in the British

make up produces a distaste for striving too hard - it is better to hold something back than go for broke. The absurd "We didn't need that in my day," rejection of new methods is rolled out as a reason to stick with the status quo. Look at coaching. Keith Fletcher, a suburban personality whose lack of adventure worked within the domesticity of county cricket, administered the same mane warm-up routine for 99 consecutive days during England's tour of the Caribbean last winter. During his reign England have won four Tests and lost 13, but he

meticulous preparation and

Valley, Idaho. It is to be the

gets the Winter Olympics.

Nottingham Forest, my

powder in abundance.

venue for the men's downhill

The omens were good when

we arrived: Snow Basin's logo

is almost identical to that of

favourite football team. And

It had been snowing at Snow

As we finally

approached

Jackson Hole,

we started to

Basin for hours and now there

was more than enough - the

exported a few inches to the

Meanwhile Crested Butte.

latest adventure, is no longer

our lannching pad for this

ago. Today, the old town -

piggledy community in the

Rockies - attracts hordes of

in the run-up to Christmas.

attracts great skiers. Dave

Swanwick the new world

whose parents are both

British, lives there, the

extreme skiing champion,

Olympic gold-medallist Bill

Johnson is the resort's "Ski

Ambassador", and Martin

Bell, the British downhill

of ski clinics there next

monolith of Rendezvous

Here, our year-long odyssey

had begun 350 days earlier,

and we started to feel a little

spring.

Mountain.

With its legendary

people by offering free skiing

perhaps the most quaint,

colourful and higgledy-

feel a little

emotional

resort could even have

barren slopes of Europe.

here was Utah's legendary

will almost certainly see out the other half of his five-year restricted contract. contract. The former Rogland In the long term, reform has batsman Bob Woolmer, whose



brilliant man-management

have encouraged players like

Graham Gooch to look at film

of themselves dominating a

particular opponent and they

seem to have found it helpful. I

don't advocate abandoning tra-

ditional methods of prepara-

tion, but you can always add to

In cricket's old fashioned

environment video analysis

and psychological enhance-

ment are not seen as impor-

tant. Dr Terry's official associa-

tion with England has ended.

The Australians use every

trick at their disposal to under-

transformed Warwickshire, has been lured to mastermind South Africa's re-emergence. Dave Alred, an American football coach, helped the England rugby union fly-half Rob Andrew to kicking perfection against Canada a fortnight ago, but received the cold shoulder from Twickenham.

Australia have hired him. These sports are run by unwieldy committees made up largely of non-sportsmen or people who played the game 20 years ago. They are out of touch. For the last two months Ray Illingworth, the chairman of England's cricket selectors. has not even been in the same hemisphere as the team. He says he is in Bradford rather than Brisbane because of his

to start with school sport. In the short term. Dr Terry has a . mine visitors. Immediately

before the first Test in Bris-"You've got to create posibane, England played in chilly tive vibes. England prepared Tasmania. Their preparation for the West Indies tour by for the one-day international watching videos of a previous series involved a match on a series when batsmen were cabbage patch in Canberra against a team of local civil ducking and weaving and taking painful blows on the body. servants. Mike Atherton admit-That put them immediately in ted he had not seen the itinera tentative state of mind. I ary before they left.

When touring teams visit England they receive cosy warm-up matches and a conveniently planned fixture list. They are allowed into the nets at Lord's before the England players. The British cosset opponents. This approach percolates on to the field.

Recently, Nelson Mandela said: "I was brought up in a British school and at the time Britain was the home of everything that was the best in the world." Britain's sports have a glorious past. The trouble is, some of its sports administrators are still living in it.

Sailing/Keith Wheatley

Fleet gathers for exquisite torture

ing Day will host the running of the Sydney-Hobart highest previous entry. The previous biggest fleet in the Sydney-Hobart was a mere 179 vachts in 1985.

To cope with the number of competitors on the water, the race committee is running four starts: the two groups of veteran yachts from 20 and 30 years ago will leave the shelter of the Harbour 30 minutes start. Heading the fleet will be 15 of the world's fastest and most powerful maxi-yachts. their sights fixed on breaking the record for the 630-mile course and taking race sponsor Kodak's £50,000 prize. "To collect the cash, the first yacht must cross the line before 3.36am on December 29 to break Kialoa's 1975 record of two days 14 hours 36 minutes," said race chairman Bill Sherman of the Cruising Yacht

Club of Australia. Among those with the best chance is the British-owned Longobarda, 80ft long and pride of City property man Mike Slade, but under charter for this race to a Tasmanian syndicate called The Dairy Farmers. Chris Law, a regular at the wheel of Longo-Bongo, will helm.

Alan Bond, the disgraced entrepreneur, is likely to be following the race with interest. In 1989 he built a maxi named Drumbeat with the aim of smashing Kialoa's record, but never managed it. Under her new name Congers, the USowned maxi is one of the favourites. However, she will have to get past the Whithread twins. New Zealand Endeavour. 1994 Whitbread race winner in the maxi-class, and Yamaha. W60 winner, are competing. Both are designed sprint but could do well. Among the new yachts the

66ft pocket-maxi Exile is attracting most interest. Designed by the Reichel/Pugh team which secured the 1992 America's Cup for Bill Koch. Exile has a radical construction. Almost everything in the hull and on deck is in carbon fibre, even the twin steering wheels and the pedestal winches. The keel is of stainless steel and the towering four-spreader mast of

Owner Warwick Miller has expense. On her first outing in early December. Exile blitzed much bigger yachts and took line honours in the Cruising Yacht Club's short ocean race. When the first fleet sailed for Hobart in 1945, there were

just nine competing yachts. Two of these, Archina and Winston Churchill have been completely refitted and will be racing again next week. The instigator and winner of that first race was a British naval officer. Captain John Illingworth. In his 36ft Rami, he took both line honours and first place on corrected time. This feat was not equalled

ritain's best year was andoubtedly 1969, in the 25th anniversary race. The late Sir Max Aitken's boat Crusade was first to finish and took line honours, a victory accorded some prominence in the Daily Express of the day.

Edward Heath, shortly to win the 1970 general election and become prime minister, won on handicap at the helm of Morning Cloud. For three days they had a dream ride down the coast, holding the same spinnaker for 67 hours. Then came a savage storm

perately bailing with buckets as the bilge pumps failed. Then came a pail-biting drifting finish up the estnary into

Morning Cloud was the last British yacht to win the Sydney-Hobart, although four years ago there was a huge controversy when the Whitbread maxi Rothmans was disqualified and lost the race after a row over sponsorship.

After a stormy and exhilarating ride across the Bass Strait, Rothmans, skippered by Lawrie Smith had shredded several spinnakers and the only one left intact was a small kite with the sponsor logo prominent - against the Sydney-Hobart rules to use. It was miles from land so there was no promotional value in flying the sail and Smith warned the race committee by radio that he was about to do so, but the breach was spotted by a photographer in a press aircraft and the damage was

If records are to be broken this year, the fleet will need a north-easterly breeze and come out of Sydney Reads under spinnaker, holding the kites for the next 48 hours or more. It is a relatively rare weather pattern for New South Wales, hence the longevity of Kialoa's record.

At least as likely is the famed "southerly-buster" which produces big seas in the formidable Bass Strait between the mainland and Tasmania and an on-the-nose

The other exquisite form of torture for competitors is the routine calms and zephyrs in the sheltered estuary of the Derwent River which meanders nearly 20 miles from the open sea to Hobart, In many races, leaders have stormed to the mouth of the Derwent and then crept up-river, being overtaken by smaller, lighter rivals. that had Heath and crew des-

FT Ski Expedition

Snow gets

Arnie Wilson is halted by the Highway Patrol on Interstate 70

Arnie Wilson and Lucy Dicker are nearing the end of their attempt to ski every day of 1994 on a round-the-world expedition. They are spending the last few days of their odyssey in North America

here is still no let-up. even though it is Christmas. We faced a journey of almost 1,000 miles to get from Crested Butte in Colorado to Jackson Hole in Wyoming, where we started our journey almost a year ago. But we needed somewhere to ski en route bence the plan to visit a resort

in Utah. We chose Brian Head as our "stepping stone" - a resort I had always wanted to ski because of its unusual name But 373 desolate miles after leaving Crested Butte - the last 100 through the remote Fishlake National Park in Utah's Rocky Mountains without a single sign of habitation, except for the occasional deer - our route was barred by two Highway Patrol cars.

"We've had to shut the 'nterstate," said one of the afficers. "The weather's really bad

- Even with Utah's snow, it is almost unheard of for Interstate 70 to close

a miles ahead and there are cars abandoned. You'll have find somewhere to spend .- e night here in Rich-

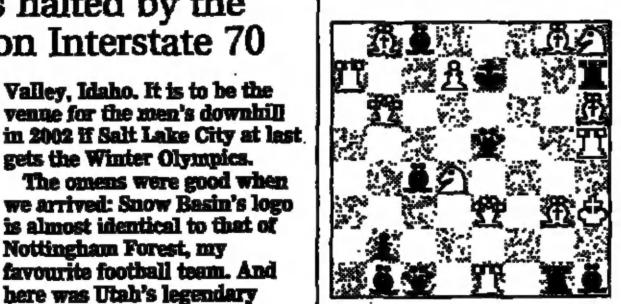
And so our dash south to Srian Head was halted in its racks. The local paper, the ichfield Reaper, had a field lay. Even in Utah, where they laim to have the "Greatest now On Earth", it is almost nheard of for Interstate 70 to

> So we headed north instead. 3 Snow Basin, owned by Sun

two unusual puzzles. The first

To test your chess skills while digesting mince pies, here are is suitable for anyone from novice standard up, and can even be adapted as a party

The other is a stiffer exercise in logical deduction and contains a number of twists and turns which might even confuse a grandmaster. No 1053



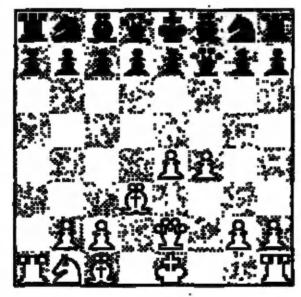
This chessboard was created by the famous Russian composer, L.L. Kubbel, as a joke for his friends. It is hardly a position you would reach in an over-the-board game, but it is perfectly legal to promote pawns into extra queens or, for that matter, rooks or bishops. The question is simple: in how many different ways can

White checkmate in one move? To adapt it as a party game, give every chess-playing member of your group a copy of the diagram and allow them a time limit according to their con-

grandmaster, three minutes for masters, half an hour for duffers. I confess I got it wrong. No 1054

fessed skills - one minute for

CHESS



This problem is by M. Ott (1981) and be assured the diagram is correct; Black is still in the starting position except that his f7 pawn is mysteriously replaced by a queen. The diagram represents the

position in a game after Black's ninth move, and you have to reconstruct the moves so far. It is not really too hard if you consider the implications of the captured white men and that strange second black queen. Solutions Page VII

Russia won gold medals as Garry Kasparov regained form and beat Nigel Short at the Moscow Olympiad. England finished fourth in the men's event and sixth equal in the

Leonard Barden

BRIDGE

the ghost town it was 40 years Today's hand teams-of-four: A K 10 7 10982 ¥ J64 **♦ 10 7 6** A A Q 8 4 2 extreme-skiing terrain as well **♥** J 5 4 as benign family skiing, it also ♠ KJ3 ¥863 AKQ5 4 A 9 7

This is what happened in room one. South dealt, with North-South vulnerable, and began racer is going to run a series with one no-trump, promising 16-18 points. North replied with a Stayman two clubs and, after After the long drive north South's negative reply of two from Snow Basin, we finally diamonds, jumped to three noapproached Jackson Hole and trumps, which closed the the twinkling fairy-lights of Teton Village below the huge auction.

West's opening lead was the spade four, which ran to five, 10 and knave. South could count eight tricks, assuming diamonds broke evenly, but where could the ninth be

found? Only hearts could produce the extra trick - but if East obtained the lead, a spade return would be fatal.

The declarer decided to play West for queen and knave of hearts. After cashing two rounds of diamonds, he led a heart and finessed the 10. East won, and the spade return spelt defeat. Let us replay the hand. After

taking the opening lead, we take stock. We then decide that the only hope is to find West with three hearts to the queen. At trick two, we lead a heart to dummy's king, return to hand, lead another heart to the ace and exit with a low heart. West has to take. He cannot play spades with advantage - our contract is secure. Of course, if West on either heart lead plays his gueen, he is allowed to hold the trick.

May I wish all my readers a very happy Christmas. To book a place on the FT Bridge Weekend (January 20-22), tel: Chewton Glen on 0425-275341

E.P.C. Cotter

CHRISTMAS CROSSWORD

SET BY CINEPHILE

A prize of a classic Pelikan Souveran 800 fountain pen, inscribed with the winner's name, will be awarded for the first correct solution opened from those received by Wednesday January 4 1995. Five runner-up prizes of £35 Pelikan vouchers will also be awarded. Solutions should be marked Christmas Crossword on the envelope and sent to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution

1 Absolutely jumping for the sake of jumping? (4,2,8,4,2,6)
12 Correct article in control is for overtaking (5-4,4) 13 Definitely under 50% (3,4) 14 Klytra: that's what successful

lawyers do without gravity 15 Like the goat, affected by revolutions (5)

16 Optimist who persevered in part (5) 17 Pink and gold, backed by champion in small coins (9) 19 Third molar: in this mood,

two would suffice (6.5) 20 Be greater than the Roman forty, by the sound of it (5) 22 Explorer finds cleaner eating antelope back on ship (5,4) 23 Cleaner makes sound of satisfaction without point (5) 24 Islanders with second letter

pronounced? (10) 28 Responsible worker on a line, maybe anapaestic (3.7) 29 A distant church is an absur-

30 Biblical tribe that got fossi-32 She's a female? That's a bit of a shock (5)

38 Blow that could be fatal to p-piece turning up in stock ferm (6.5) 35 Some companies – a number - could be guru-proof (5,4) 37 Keeping one's distance gives

a scrubber no satisfaction (5) 38 Unprogrammed forecasts by doctors supplying organs (5) 39 First present must accept ancient city life in France, as the FT sees it (2.3.4) 41 Fell into the grinder, wanting to provide a false label (7)

42 Choose a number in affluent mood for one's last sitting? 43 in bell, having swoon: aspire to reform, getting only one cheer? (6.4.5.6)

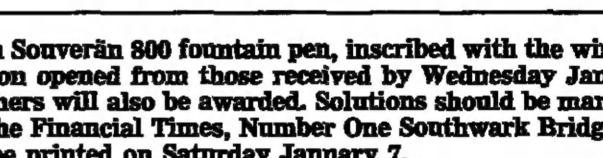
1 A word to the wise: the For- 18 Convict found in rape, pereign Office prize around the north-east doesn't resemble the Venus of Milo (10,2,9)

2 Myths of toes and knee? (7) 3 Choose some ice? You've got 2

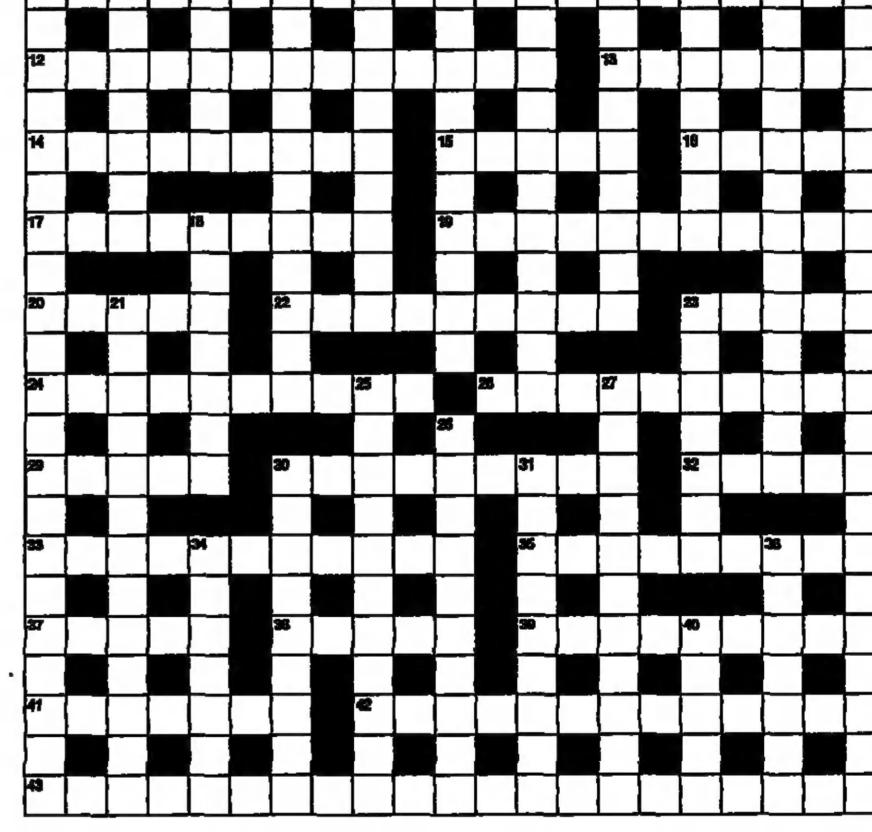
nerve! (5) 4 Changed from rest and converted (11) 5 Heir to endless troubles (6,3) 6 It's hard and fine-grained, giv-

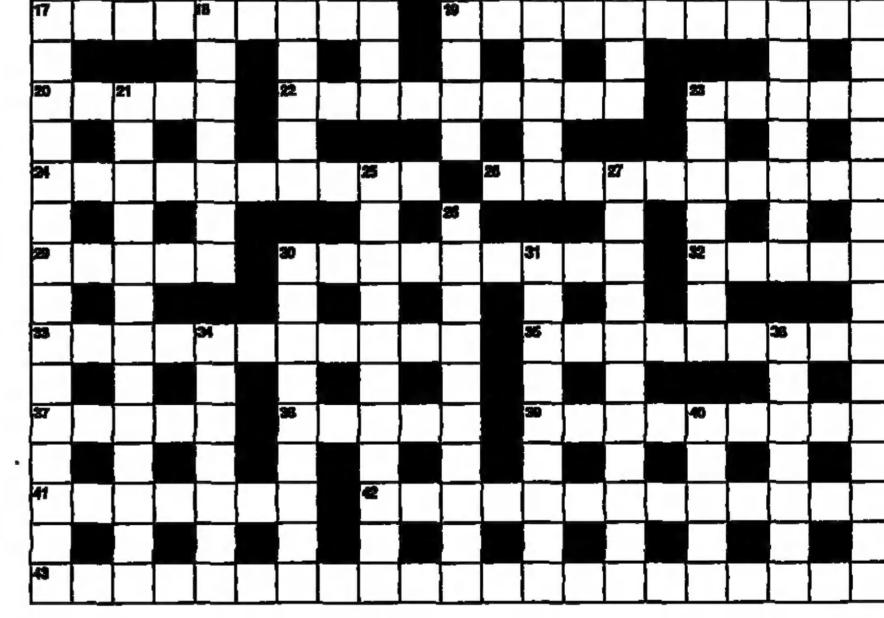
party turn (10) Watch out - say there's no big bang, in theory (6.5) 8 Like to be employed - at crochet, for example? (9)
9 Casual attempt while dish is cooking (3,4)
10 It's not fitting for one to sleep

with expert on public relations before one has dined



and winners' names will be printed on Saturday January 7.





11 Prickly plant containing soft skin, source of gold, not close to source of woe: "You could do so" is modest praise

hans - scissors and paste job 21 Weep about her crowd coming up without loss, it appears at Easter (6,7) 23 Makes a shrill request for

something to smoke and drink (5,2) 25 What's new about small cars evoking comparisons? (13) ing scope to court during 27 Pacifists see soldier in the majority - his concerns are universal (11)

28 Place for unwanted books? (2.3.5)30 Write a letter, included in permit, that makes mountains

blush (9) City on the Volga: it's end got raised (9) 34 Blow up from below after 36 Upwardly mobile crossword compiler's got a way of making payments by folding paper (7) 40 What cycles do about a dog

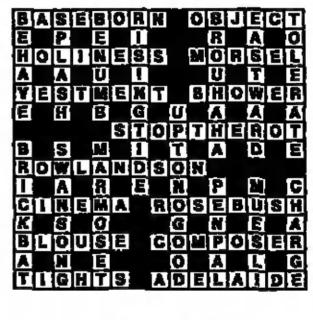
Solution 8,644



Solution 8,633

Winners 8,633 umberland





Ruth E. Peters, Ellington, North-A.B. Fergie, Edinburgh Mrs N.H. Hall, Ponteland, Newcastle upon Tyne Melanie Malcolm, Kinross Krika Osswald, Stuttgart, Ger-P.H. Shmpson, Callington, Corn-





Peter Aspden

It's wonderful to blow your own trumpet

Critics of the national lottery who decry its vulgarity are merely the latest in a long line of British killjoys

ullied by scandal, battered by bungs and drowning in drugs and dirty money. British sport reaches the end of a turbulent year determined to re-assert its authority over the miscreants who have brought it such shame.

I quote from a national newspaper report: "Liam Daish, the Birmingham captain, has been suspended for impersonating Louis Armstrong while playing a trumnet thrown to him by a fan during Saturday's 4-0 win at Chester."

Now it is high time that the disgraceful practice of British footballers impersonating famous jazz musicians was brought to the

attention of the authorities. Note, however, that the booking and subsequent suspension was prompted. not by the playing of the trumpet per se, but for impersonating Louis a knee-jerk response. Armstrona.

The hapless Daish must now be sitting at home wondering glumly: could he have got away with Dizzy Gillespie or Miles Davis? Was his impression punished for being unconvincing?

What finally tested the patience of the referee? The arrogance of a jumped-up, overpaid whipper-snapper crooning: "Then I think to myself, what a wonderful world!" into his face? Distespectful or what? No wonder he saw yellow.

The sad truth is that in sport, as in all sectors of British society, we mistrust showmanship to such an extent that chastisement becomes

Poor Daish wanted to raise a few warm smiles on a cold afternoon. but blowing your own, or even another person's, trumpet is simply not done.

Displays of originality, ostentatious eccentricity or unwarranted emotion are still considered vulgar, pushy or self-seeking; admonishment is the automatic antidote. We are simply not a showbiz kind of people.

That is only partly true, however. For every so often, an out-

break of mass vulgarity occurs dering to people's worst instincts, which sends the castiguting classes. recling in self-righteous fury; for it tells them that, deep down, we all want to break out of the straitjacket of national temperament which so inhibits our every move.

Such an analysis is the only way I can make sense of the utterly disproportionate amount of invective spent on rubbishing the National Lottery and the harmless little programme set up to announce its weekly results.

This has been criticised, amid much wind-baggery about the BBC's national mission to inform and the decline of civilised values, for being loud and tacky, for pan-

for lacking sophistication. What do these critics expect? Presenters dressed in Armani suits, music by Philip Glass, and Joan Bakewell drawing the balls for George Steiner to read out the numbers?

The programme is a scandal, they say, the lottery itself is a scandal, the desire to win a grotesque amount of money is a scandal: and there we have the nub of

reminder of the struggle we all It is no coincidence that these face in balancing the worldly and rabid exchanges have taken place during the hysterical, overconsumptive month of December. Christmas is neither the religious festival we think it ought to be,

nor the mass celebration of materialism we think, in our gloomy moments, it has become. Christmas has come to symbolise

the struggle within us between two worlds which cannot be reconciled. Those few moments on the BBC every Saturday evening, the crudest, most potent glorification of get-rich-quick values yet devised in our country, do more than prick

the holy. To mount this assault in the run-up to Christmas was asking for trouble; it must have been obvious

that, not liking the message, we would turn on the messengers. So the poor old BBC gets it in the neck because, while we spend most of our lives trying to swell our coffers with the least possible effort, that couple of minutes it

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There is not a state of

takes to pick those balls out strikes us as indecently hasty. Well, a pox on our hypocrisy. I love the lottery. I love dreaming about what I would do if I wen and at our consciences: they constitute I shall tune in without shame a full-frontal assault, a devastating every week to see if I am destined

to be a future Mr X. I love a world in which you can be just a few nail-biting seconds away from an £18m fortune. What a wonderful world!

Private View

Un no, it wasn't like that at all.

Snow White, alive and well in the Black Forest, tells Christian Tyler how her life has been misrepresented by Disney and the press

ollowing the princess's instructions. I crossed the Rhine at Strasbourg and drove south down the £35 Autobahn, After 30kms or so I turned the car's nose towards the distant hills of the Black Forest, still shrouded in morning mist.

For half an hour I motored through a picture-book landscape of sloping pastures and timbered farmhouses with overhanging eaves and elaborately carved balconies.

"Follow the signs to Willingen," she had said. "You'll find us on the edge of the woods above ... "(she named a village, begging me not to reveal it). "Take care on the bends," she added. "I dented the BMW coming up the other day."

The woods in the little valley had been cut back to make room for a cluster of what looked like mumicipal starter-homes. But the cottage beyond them was instantly recognisable, even though the turf had gone from over the porch and the facade had been rendered in pebbledash. There was a burglar alarm above the mullioned window.

I crossed the stream and parked beside a pink glass-fibre flamingo which stared into an ornamental pond. A modern extension projected into the back yard where a circular clothes-line swayed under the weight of many small garments.

Having heard the scrunch of tyres on gravel, the princess was waiting at the door. She was thick-set to the point of plumpness and her hair was grey. But her movements were graceful and her manner was confident. Behind the old-lady spectacles, the beautiful eyes were wide and candid; her complexion, the legendary complexion, looked as smooth as a giri's.

"Come in, come in," she said gaily. I ducked and entered the poky front room, startled to see how little it had changed. There were knick-knacks on the mantelpiece. an oil cloth on the table and a television and video recorder tucked discreetly under the staircase. For the rest, the place was defiantly antique, as if the world had not moved in 57 years.

The princess made coffee and I came quickly to the point. Have you seen the video that Disney has just released. I asked.

"We thought it charming." she replied, "quite charming. But not very accurate." She sighed and smiled in the same breath. What vexed her most, strangely

enough, was the film's treatment of her stepmother, the wicked queen. "You know. I am certain she never meant to harm me," the princess declared firmly. "She was jealous, of course, of Papa's affection and she did behave very badly. But it was me who decided to run away from home. I was rather naive in those days," she added with a coquettish glance.

What about the disguise, I said. and the poisoned apple? The princess laughed. "Oh, the pedlar outfit wasn't any sort of disguise. She was frightened of meet-

ing the boys, that's all. But she



wanted to see if I was all right and she brought me a few little things: some pink laces, and a comb - and

the apple." Which nearly killed you.

"Well, yes. But it could have been something else I'd eaten." According to the original story, I sald, your stepmother was invited to the wedding, was given a pair of red-hot shoes and made to dance until she dropped.

"Good gracious, no!" exclaimed the princess. "Really, one can't believe anything one reads in the papers these days. People are not as horrid in real life as you people seem to imagine." I was stung by

the rebuke, but forbore to quote my

impeccable source. "No." she contipued "mother did rather overdo things - she loved parties, of course - and she put her back out, poor thing. She died not so long ago: a choking fit, the doctor said."

This was disappointing news. I began to wonder if my journey had been a mistake.

"Snow White", aren't you? Schneewitchen is what darling Papa used to call me."

think I should not answer that." she

Princess. I said, you are called "Well, it is something similar.

What is your real name? The princess looked prim. "I

I asked her about the seven

dwarfs and her countenance softened once more. The "film people" had taken liberties with their characters and names, she said. I thought it wise not to repeat some of the names the Disney studio first came up with: Flabby, Goopy,

Gabby, Nifty, Jumpy and Awful. "The boys were rather hurt, because they were never so untidy or ill-mannered as they were made out to be. But I think they saw the

funny side." The gold mine (it is a diamond mine in the film) had been closed by the owners, she explained, and "the boys" had been offered redundancy cheques. They had formed a

workers' co-operative and with help

from the bank had continued mining until the better seams were exhausted. The bank refused, however, to put up the investment needed to open new galleries. So what do they do now?

It was a story which has become familiar all over Europe. The one we know as "Doc" had taken un medicine and was running a successful practice in a village near Schönwald, "Happy" had a public relations job with the Black Forest tourist board, while "Sneezy" had moved to Basel where he tested anti-histamines for a well-known

pharmaceutical company. As for "Grumpy" ("not Grumpy,

please, he is a sensitive person"), he

owned a woodworking studio nearby where he and a couple of apprentices turned out high-quality souvenirs - rustic chairs, cuckoo clocks and so forth - for the summer tourist trade. Every Sunday he

played the church organ. Less fortunate were "Bashful" and "Sleepy". Officially unemployed, they made a modest living as local handymen and landscape gardeners. They were the only two who still lived permanently at the

"There is a little money left over from the mine and I help when can. So you cannot say any one of us is hadly off," the princess said. I coughed apprehensively and

asked about "Dopey". Snow White clapped her hands. "You would never guess, now,

would you? Go on, guess!" I scrabbled for an answer that would sound neither offensive nor yet unrealistic.

The princess laughed triumphantly: "A computer programmer - in Stuttgart!" So it is just the three of you living

here now? "What do you mean?"

I shifted uneasily, uncertain how I was to introduce the topic. I mean, I said, after you and the prince, er...went your separate ways.
"You have been misled," said Snow White, and her eyes flashed.

"Where do you get such information? Well, really!" So it's not true? "Of course it's not true! We live very happily, always at the Schloss, and I come over here as often as I can to keep an eye on things."

I'm sorry, I said. It's just that I "I shall forgive you. It is no secret that Karl can be a little . difficult sometimes, especially now that he has retired from the bank. But then so can L We are none of us getting any younger. I should say we are still very much in love."

You didn't know each other very well before you married... "No we didn't, not at all. It was love at first sight, everyone knows that. It may not be fashionable to marry so quickly these days," she continued, her lips pursed. "I notice also it is not so fashionable to learn

good manners at table. That does not make it wrong." At the end of the film, I said, he carries you off on his horse towards a lantastic castle. Was that Neuschwanstein, which mad Ludwig II of

Bavaria built? "That's right. Karl was a little naughty, pretending to me to own such a place. I think it was because he loved me and wanted to make a big impression. He had only rented it for the wedding and the reception, and of course our first night." Snow White looked down demurely, Millions of people all over the world feel nostalgia about vour story, I said, especially at Christ-

mas. Do you feel nostalgia too? "About the big forest, I do. Oh. and for the little animals, which were so tame and so sweet. They are too afraid to visit us now."

Do you have any regrets? "I was lucky to be born as I was and I had some bad things happen. too. But no. The world has changed very much, of course, but in so

many ways it is better. She waved her hand round the room. "What use is regret? We have money enough, we play and sing. we have our jokes. And we shall all be here together for Christmas. Look, I am making a special pud-

ding. How do you feel about the old

"Well, why not?"

"You know, it is so long ago. For me it is like . . like a fairy-tale." And you lived happliy ever after?

All in the Mind

Alcohol goes straight to your ears

Andrew Derrington on why drinking makes your head spin and affects your sense of balance

t is a scientific fact, confirmed at thousands of Christmas parties every year, that drinking alcohol affects our balance. Observant drinkers will note that alcohol induces a sensation of rotation, in a direction that depends on the position of the head. If you drink heavy water instead of alcohol the spin will reverse direction.

The explanation of this spinning sensation highlights the exquisite sensitivity of the sensors and control circuits in the brain that enable us to feel stable as we totter soberly about our daily business.

Three sources of information are used: accelerations of the head. detected by the vestibular organ in the inner ear; movements of the neck and body, signalled by the muscles and joints; and movements of the objects about us, signalled by the visual system. Alcohol exerts its

effect on the vestibular organ. Information from the different sources is rigorously cross-checked before it reaches consciousness, and before we take corrective action Nodding or shaking our head

from the vestibular organ, but these are consistent with the signals from the neck, so we feel stable. We hardly notice the movement. We also move our eyes so that

head movements do not generate visual signals. We take for granted the speed and accuracy of the vestibulo-ocular reflex, which controls these eye movements.

Any inaccuracy in the VOR shows up as an instability in the visual world. A common example is the vertigo we experience when we change our spectacle prescription. Changing glasses changes the

magnification of the eye, and hence

perfectly compensates for a given the spectacles we adjust the VOR your eyes at exactly the right veloc- called nystagmus. and the world becomes stable again. Because the input (head movecauses violent acceleration signals ment) and output (eve movement) of the VOR can be measured precisely, it is one of the best understood control systems in the brain. But even now it holds surprises.

One of the latest is that the compensation for the visual distortion produced by spectacles is learned and remembered. When we change spectacles we adjust the VOR instantly. We can even learn to change the size of the VOR depending on whether we look up or down

to compensate for bifocals. ing your head rapidly from side to side while reading this. You can see clearly while you shake or nod your

ity to keep them pointing in the same direction in space. When you shake the paper, visually controlled corrective eye movements are too slow to compensate.

Head rotation is detected by a part of the vestibular organ called the semicircular canal, a loop of fluid-filled tubing embedded in the skull bone. The tube is blocked by a barrier called the cupula. When the head rotates in the plane of the canal the fluid tends to lag behind, pressing against the cupula.

The pressure, detected by special neurones called hair cells, gives you You can test your VOR by shak- the signal that your head is spinning. We have three semi-circular canals on each side of the head. Each is positioned to signal rotation

the size of the eye movement that head, but not if you keep your head in a different direction. The VOR still and move the paper. When responds to rotation with an oscilhead movement. As we get used to your head shakes, the VOR moves lating pattern of eye-movements

> The eye moves in the opposite direction to the rotation at exactly the same speed, and then flicks rapidly forwards. Nystagmus gives an exact indication of the state of the VOR. The commonest clinical test of the VOR is ingenious but crude. Syringing the ear with hot or cold water stimulates the semi-circular canals by causing expansion or contraction of the fluid in them. The "caloric nystagmus" that results is

easy to detect. We used to think that caloric nystagmus was caused by convection currents, but experiments on Skylab showed that this cannot be so. Caloric nystagmus occurs in space. where there is no gravity to produce convection currents.

in contrast, although it has not been tested in space, the spinning sensation induced by alcohol does depend on gravity. Otherwise, its direction would not depend on the position of the head. Alcohol stimulates the canal because alcohol in the bloodstream makes the cupula lighter than the surrounding fluid. causing it to float.

The resulting upward pressure on the cupula is identical to that caused by rotary acceleration of the head, and is interpreted as such by the brain. Mixing two parts of beavy water with one part alcohol neutralises this. Unfortunately, the high price of heavy water and the effects of alcohol on the nervous system make this an unrealistic way of keeping a clear head. The author is professor of psycho-

logy at the University of Notting-



